

Assessment Schedule – 2020

Business Studies: Demonstrate understanding of how a large business responds to external factors (90844)

Assessment Criteria

Notes to Markers: guidance for awarding Achievement, Merit, or Excellence

Explaining states **what** the answer is to the question asked, then expands by giving the reason(s) **why** the “what” occurs or links ideas to provide a coherent rationale.

Fully explaining develops the explanation with further expansion of **how** the situation /action could impact on potential business or stakeholder goals, or a particular outcome. This will generally relate to effects, advantages, disadvantages, and/or consequences.

Justifying uses relevant evidence to justify the significance of the decision or the likelihood of success. This should include reference to alternative courses of action, or new information to further support the decision that has not already been established in earlier parts of the question.

The candidate should use only one context for each part, but may change contexts between parts. The task should be read as a whole before awarding a grade.

Part	Sample Evidence
(a)	<p><u>Fully explain, with TWO reasons, why employing graduates or employees with little experience would be an expectation that society has for the business.</u></p> <p>Society would expect employees who are providing a form of customer service or care to be from a range of demographics, similar to their clients (Explained). In healthcare, patients may generally prefer to be treated by people with similar backgrounds to make them feel more at ease (Fully explained).</p> <p>Secondly, society recognises that there is a shortage of experienced and qualified health professionals who are New Zealand-trained (Explained), as they often go overseas to work soon after graduating. When <i>Waikato Hauora</i> takes graduates on with little or no experience, they are helping to keep them in New Zealand and provide them with opportunities they may not otherwise get locally (Fully explained).</p> <p>Other reasons:</p> <ul style="list-style-type: none"> • Provides fresh ideas and challenges the status quo. • Allows graduates a career pathway and the chance to gain experience. • Provides a potential succession plan for an ageing employee base. • Keeps graduates local and helps to avoid losing them to other regions if there is a shortage. • Hiring graduates is a form of corporate social responsibility; society would expect <i>Waikato Hauora</i> to give back to its community in some way. • Society would have an expectation that <i>Waikato Hauora</i> practises whanaungatanga; hiring graduates is a way of sustaining relationships and working together to achieve a common goal, i.e. better health services.
(b)	<p><u>Discuss TWO solutions the business could implement to address the increased minimum wage OR the change regarding the 90-day trial period, so that the business can continue to hire graduates or employees with little experience.</u></p> <p><i>Minimum wage</i></p> <p>An increase in the national minimum wage would impact on <i>Waikato Hauora</i> by increasing the labour costs of the business if a pay rate 20% above minimum wage is to be maintained. This would reduce its profitability and compromise its tikanga (Explained).</p> <p>One solution could be to continue to pay at the current rate above minimum wage despite its effect of reducing overall profit (Explained), as this would remain in line with <i>Waikato Hauora</i>'s tikanga and uphold an important part of the business practice (Fully explained).</p> <p>A second solution could be to reduce costs in other areas and/or increase service prices to cover the cost (Explained). This would help to ensure long-term stability for <i>Waikato Hauora</i>, as it would be more likely to remain profitable (Fully explained).</p>

	<p>The better solution would be to continue paying 20% above minimum wage without compromising other areas of the business. Not only would it uphold the tikanga that <i>Waikato Hauora</i> has, but it would also continue to send a public message that <i>Waikato Hauora</i> values and cares about its community – by not increasing prices, or reducing services in other areas, which may damage its reputation. Also, the increasing demand for services and full capacity indicates that profitability would be minimally affected anyway, so the extra costs would be absorbed.</p> <p>Other possible solutions:</p> <ul style="list-style-type: none"> • Target just those areas where demand is increasing. • Hire fewer graduates, and / or give graduates fewer hours. <p><i>90-day trial</i></p> <p>The loss of the 90-day trial would mean <i>Waikato Hauora</i> cannot let go any employees not up to scratch before the period is over, potentially exposing patients to incompetent employees and harming service quality (Explained).</p> <p>One solution would be to hire the graduates on a standard fixed-term contract (e.g. 90 days) with all the rights that the Employment Relations Act (ERA) allows them (Explained), because the time period can still be short, and there is the option to let them go at the end of the contract term (Fully explained).</p> <p>A second solution could be to stop taking on graduates, or reduce the number hired (Explained), as this would reduce the risk of any potential harm being caused by inexperienced employees (Fully explained).</p> <p>The best solution would be to go with fixed-term contracts, despite graduates having full ERA rights. Firstly, the length of time could still be varied (e.g. 60 days rather than 90) if the interviewing process makes them cautious about a new hire. Secondly, stopping the graduate programme would not honour <i>Waikato Hauora's</i> tikanga, and the community may not look favourably on this, potentially taking their business elsewhere where they feel community interests are being better catered to.</p> <p>Other possible solutions:</p> <ul style="list-style-type: none"> • Hire on a permanent basis from the start. • Offer part-time / casual jobs with stated minimum hours. • Put candidates through an extensive screening process before offering them fixed-term contracts.
(c)	<p><u>Fully explain TWO impacts that increasing demand from a new demographic group is likely to have on the business.</u></p> <p>As there are more younger people arriving at <i>Waikato Hauora's</i> clinic, and it seems with increasing mental health issues, staff would need training to gain a better understanding of the pressures young people experience today (Explained). The young demographic may feel uncared for or disillusioned with the service offered and seek help elsewhere – or even worse, not at all (Fully explained).</p> <p>Secondly, there would be greater pressure on its services, which are already stretched and have wait lists (Explained). Existing patients would be annoyed that they find it difficult to get an appointment and may start bad-mouthing <i>Waikato Hauora</i>, creating a poor brand image (Fully explained).</p> <p>A further impact could be a disconnect between what the customers know and understand from media and what the employees practise in reality.</p>

(d) Discuss TWO responses the business could make to ensure its business practices are ethical.

Chosen business: Air New Zealand (domestic)

Air NZ could be unethical where they cancel flights and give no reason (Explained). Passengers may assume that they were cancelled due to low passenger numbers and may speak negatively to others about it, or go elsewhere for future flights (Explained).

A solution that *Air NZ* uses to ensure they are seen to be ethical is to make sure all cancellations are provided with clear explanations as to why and what the airline is doing about it (Explained), because this removes doubt from passengers' minds and reassures them that there is a valid reason.

Secondly, *Air NZ* works hard to provide customers with timely information and potential back-up plans, including refunds (Explained), because it is part of their service culture to ensure passengers are not disadvantaged by faults on the part of the airline (Fully explained).

All responses are valid, but most important is having an alternative plan for the customer and not leaving them to sort the issue for themselves. Customer service is the most important part of *Air NZ's* tikanga and needs to be maintained if they are to continue to be the preferred airline on New Zealand's domestic routes. Customers suspicious that their flight might be cancelled for no reason may book on alternatives like *JetStar* just to be sure. Being transparent about the cause of cancellations may be ethical, but if it is for things like mechanical faults, this may make customers very uneasy about future flights. By actually following through with a back-up plan to help passengers, *Air NZ* would be showing that they care more for the customer than they do for any potential loss of profit, which is key in ethical decisions.

Evidence

Achievement	Achievement with Merit	Achievement with Excellence
<p>Explains:</p> <ul style="list-style-type: none"> with TWO reasons, why employing graduates or employees with little experience would be an expectation that society has for the business how the change to the minimum wage OR the 90-day trial period impacts on the ability of the business to hire graduates or employees with little experience TWO solutions the business could implement to address the impact on hiring graduates or employees with little experience TWO impacts that increasing demand from a new demographic group is likely to have on the business a likely consequence for the business if it is seen to be unethical TWO responses the business has made, or could make, to ensure that it acts ethically when dealing with a stated situation where the chosen business could act unethically. <p>(Answers will typically state relevant examples, business knowledge, and / or Māori business concepts.)</p>	<p>Fully explains:</p> <ul style="list-style-type: none"> with TWO reasons, why employing graduates or employees with little experience would be an expectation that society has for the business TWO solutions the business could implement to meet the impact on hiring graduates or employees with little experience TWO impacts that increasing demand from a new demographic group is likely to have on the business TWO responses the business has made, or could make, to ensure that it acts ethically when dealing with a stated situation where the chosen business could act unethically. <p>(Answers will typically include relevant examples, business knowledge, and / or Māori business concept(s), to support explanations.)</p>	<p>Fully explains TWO solutions the business could implement to meet the impact on hiring graduates or employees with little experience.</p> <p><i>AND</i></p> <p>Justifies, with TWO reasons, why one solution would be better than the other for the business.</p> <p><i>AND/OR</i></p> <p>Fully explains TWO responses the business has made, or could make, to ensure that it acts ethically when dealing with a stated situation where the chosen business could act unethically.</p> <p><i>AND</i></p> <p>Justifies, with reasons, which response is likely to be most effective in ensuring that the business is behaving in an ethical manner.</p> <p>(Answers will typically integrate relevant examples, business knowledge, and / or Māori business concept(s), to support explanations.)</p>

N1	N2	A3	A4	M5	M6	E7	E8
Very little Achievement evidence.	Some Achievement evidence, partial explanations.	Most Achievement evidence.	Nearly all Achievement evidence.	Some Merit evidence.	Most Merit evidence.	Excellence evidence. Most points covered, including some justification.	All points covered. One part may be weaker.

N0 = No response; no relevant evidence.

Cut Scores

Not Achieved	Achievement	Achievement with Merit	Achievement with Excellence
0 – 2	3 – 4	5 – 6	7 – 8