2013   Business Management GA 3: Examination

GENERAL COMMENTS

Students' responses to the 2013 Business Management examination appeared to demonstrate that they were well prepared and had good knowledge. Compared to previous years, students wrote more when responding to questions and fewer questions on the paper were unanswered. However, the application of knowledge to a specific question or case material needs to be improved. Students are encouraged to practise relating their knowledge to different situations or scenarios in order to improve their ability to respond to these parts of the questions in the examination.

On this examination there were questions that asked students to provide a specific number of responses, such as characteristics of a large-scale organisation or management skills. If a specific number of responses is asked for, there is no benefit to students if they provide more than the number required by the question. The assessor will mark the first answers that appear up to the number asked for, rather than search for the best answers and mark them. Students should use reading time to thoughtfully choose a selection that will best answer the question.

It was pleasing to see a good understanding of certain task words/key terms. More students noted that 'discuss' required them to write about pros/cons or benefits and limitations, and tended to respond appropriately. Many also noted that 'compare' involves consideration of both similarities and differences. Students should be aware of what is required by task words such as evaluate, discuss, compare, describe and explain so they are better able to respond to questions.

It is important that students read the entire question carefully. A number of students noted some key words in some questions and based their answer on a general explanation of those words, rather than reading the entire question. In most cases, this led to the student answering the question poorly.

SPECIFIC INFORMATION

Note: Student responses reproduced in this report have not been corrected for grammar, spelling or factual information.

This report provides sample answers or an indication of what answers may have included. Unless otherwise stated, these are not intended to be exemplary or complete responses.

The statistics in this report may be subject to rounding errors resulting in a total less than 100%.

Question 1a.

Marks	0	1	2	Average
%	5	35	60	1.6

This question was generally well answered. In some cases, students identified more than two characteristics, even though only two were required. Students were only required to identify the characteristics of large-scale organisations (LSOs). These characteristics include

- 200+ employees
- substantial assets ($200 million+)
- substantial revenue or income (in the millions)
- multiple locations/transnational
- complex management structure.

1b.

Marks	0	1	2	3	4	Average
%	6	14	28	31	20	2.5

This question was answered fairly well. Most students were able to identify both positive and negative contributions that LSOs make to the Australian economy. However, some students were unable to explain how the contribution was positive and/or negative to the economy. For example, identifying that LSOs make a significant contribution to employment is answering only part of the question. To gain full marks students also needed to explain that this leads to those employees spending their income and generating benefits across the economy through their spending. Another example is that LSOs, due to their size, are more likely to spend money on research and development, which leads to new/innovative/improved products, services or processes. These improvements tend to filter down to smaller organisations.

Students should try to avoid naming contributions that are too similar and that have the same impact on the economy. For example, downsizing of employees leading to unemployment and outsourcing overseas, which then leads to unemployment. While they might be different contributions, many students struggled to differentiate their respective impacts on the economy.

Positive contributions might include
- significant contribution to employment
- contribute to infrastructure growth
- improve GDP and balance of payments through exports
- contribute to research and development.

Negative contributions might include
- downsize and outsource to overseas
- more likely to replace employees with technology
- costs in supplying the infrastructure, which may lead to other social programs being underfunded
- damage to the environment
- transmit profits overseas.

The following is an example of a high-scoring response.

A positive contribution is the significant provision of employment. With LSO's employing over 200 employees, they make a significant contribution to employment levels with around 33% of employees in Australia being employed by LSO's. This helps to influence increased spending, and therefore demand for goods and services, helping the economy to circulate. Another positive contribution is their commitment to research and development. Due to their size, LSO's can lead to new products and methods of production, which can have positive flow-on effects throughout the industry and economy. A negative contribution however is their contribution to climate change and pollution. As they mass produce goods and services, LSO's are a significant contributor to waste and pollution to the environment. This then needs to be cleaned up by either the government or other organisations, having a negative impact on the economy. LSO's can also have the power to price set, which occurs when there are few competitors in one industry. This reduces downward price movements and therefore has a negative impact on the economy.

1c.

Marks	0	1	2	Average
%	59	20	20	0.6

This question was generally poorly answered. This seemed to be for two reasons. Firstly, many students answered the question as if it were about competition between businesses; however, this was an incorrect interpretation of the question.

Secondly, some students simply explained how stakeholders make demands on LSOs, without explaining how they were competing demands. There needed to be a link between what the demands were so that it was clear they were competing demands. For example, different stakeholders can have different values, goals and interests that consequently place competing demands on the organisation. Customers, for example, want reasonably priced items, and employees want fair wages and conditions. These expectations may lead to less revenue and higher costs. However, shareholders want to maximise profits to ensure a return on their investment thus requiring higher revenue and lower costs.

The following is an example of a high-scoring response.

Stakeholders are individuals or groups who have a vested interest in an organisation and its activities and each have different demands. For example, customers and shareholders are two stakeholders who may place competing demands on a large-scale organisation and both are from the external, operating environment.

Customers are those who purchase goods or services from an organisation, and therefore, have an interest in the price of the products or services, and, presumably, want them this to be as low as possible.

Shareholders are partial owners of an LSO through the purchase of shares, and are paid in dividends. They therefore, want to profit as much as possible from the LSO.

Thus these two stakeholders offer competing demands as customers demand low prices, however, shareholders may not profit as much from low prices. Therefore, the LSO has to decide which demand is more appropriate to adhere to, and act accordingly.

Question 2
2a.

Marks	0	1	2	3	4	Average
%	4	10	27	32	28	**2.7**

Students were asked to explain what is meant by work-life balance and conditions of employment. They were then expected to relate this to the information provided in the case material. Students were able to do both with a fair degree of accuracy; however, some students used only the case material without properly explaining the theoretical part of the question first.

Conditions of employment relate to the employee being paid a fair wage, their hours of employment and their leave entitlements. It may include flexible working arrangements. Work-life balance is the correct time balance between work and life away from work such as leisure, family and other personal pursuits, and may involve time off, childcare facilities and flexible working conditions.

Traditionally, the ZX bank employees do not work on the weekend. As a result, working weekends is a change to their terms and conditions of employment and could have negative impacts on their work-life balance. Therefore, they would be expecting to be paid higher pay rates. If conditions changed, people would also expect to be asked to volunteer as opposed to it being a mandatory requirement.

The following is an example of a high-scoring response.

> *Work life balance refers to achieving the right amount of work, as well as personal life activities. Employees at ZX Bank are currently satisfied with this as they are not having to work weekends as well as weekdays. If the proposed change is employed, employees may lose this balance, especially if they are not getting paid more. Conditions of employment refers to what jobs are required, the hours of work required, and the amount of pay received by employees that is agreed upon in the beginning of employment. The proposed change is seeking to alter the conditions of employment at ZX Bank, as weekend work may be introduced which was not a previously stated condition.*

2b.

Marks	0	1	2	3	4	Average
%	11	14	29	25	21	**2.3**

This question was reasonably well answered. In most cases students were able to identify two appropriate management skills and relate them to the case material. However, students did not describe the management skill as required by the question; they simply identified it then related it to the case material. Often students chose two similar management skills and were then unable to differentiate between these skills in their explanations. For example, in this question many students selected communication and negotiation as their management skills, but when describing and applying them, it appeared that they were describing and applying the same skill. It is recommended that students select skills they are able to clearly differentiate between in their answer. Some of the more commonly chosen management skills included the following.

- Negotiation – discussion designed to bring together two disputing parties to reach a compromise agreement. In this instance, there is a dispute between the parties and a resolution will need to be achieved.
- Problem-solving – a set of activities involved in searching for, identifying and then implementing a course of action to correct an unsatisfactory situation. Management need a systematic approach that will enable them to produce a range of solutions and choose the best alternative.
- Communication – a process of creating and exchanging information between people that produces feedback. In this case, both sides need to present their point of view with clarity and exchange ideas in order to understand each other and develop a solution.
- Time management – the ability to prioritise tasks, set deadlines, review progress and delegate. There is some urgency to reaching a resolution on this matter. If the change in opening hours is a customer desire, then timely introduction could lead to a commercial advantage.

The following is an example of a high-scoring response.

> *Two management skills are communication and problem solving. Communication refers to the transfer of information from a sender to a receiver and then the provision of feedback by the receiver. Communication will be necessary for management in this*

situation as it is important for discussions between management and employees to be kept up. If management cannot communicate effectively, a breakdown in communications will occur, causing confusion and possibly an industrial dispute.

Problem solving refers to the process of identifying an issue, developing alternatives, and then implementing one to resolve the issue. Management will require this skill as clearly they are currently faced with a problem between the wants of employees and the wants of management. Therefore, management must be able to solve this overall problem as well as others along the way, both efficiently and effectively. If not, the employees and management be unable to come to a resolution altogether.

2c.

Marks	0	1	2	3	4	Average
%	45	14	18	14	9	**1.3**

This question was poorly answered. Many students appeared not to know this content and often the question was unanswered. Others appeared to assume that the question was about management styles and explained the differences between the autocratic and participative management styles.

Employee relations is about the relationship between management and employees in determining the conditions of employment – such as wages, hours worked, sick leave and paid holiday leave. The question asked students to compare the centralised and decentralised approaches to employee relations, the best answers considered both similarities and differences. For this to be done well, it was not enough to simply identify similarities and differences, students needed to consider both approaches to determine where there were similarities and differences.

Some possible similarities and differences include those listed below.
- Both approaches relate to the terms and conditions of employment.
- Both approaches use awards. However, the centralised approach uses awards as the primary form of establishing terms and conditions. The decentralised approach also uses awards, but only as a safety net.
- The centralised approach uses Fair Work Australia, industrial courts and tribunals. The decentralised approach has a limited third-party involvement.
- The centralised approach's terms and conditions of employment are for the whole industry with 10 minimum standards, while the decentralised approach's are done at the organisation level.
- Union involvement is greater in the centralised than in the decentralised approach.
- The centralised approach is where everyone receives a pay rise; whereas, the decentralised approach pay increases are usually linked to productivity gains.
- The centralised approach has national employment standards; however, the decentralised approach has collective agreements or individual contracts.
- The decentralised approach is more time-consuming for the employers and employees as they are required to negotiate, while the centralised approach is less time-consuming as is done at an industry level.
- The decentralised approach is more flexible at workplace level. The centralised approach is less flexible.

The following is an example of a high-scoring response.

The centralised approach is an approach in which the government is responsible for determining the wages and conditions for an entire industry through the use of an independent tribunal. A decentralised approach, however, refers to an agreement negotiated directly between employee and employer at a workplace level. Another difference between the two is that in a centralised approach, wages are not tied to productivity compared to a decentralised approach in which wages are directly tied to productivity, allowing employees to be directly rewarded for their contribution to the organisation. A similarity between the two approaches is that they both use awards to determine wages and conditions, which refers to a legally binding agreement that sets out wages and conditions. However, in a centralised approach, awards cover an entire industry of employees, compared to a decentralised approach in which awards act as a minimum safety net and cover employees nationwide.

2d.

Marks	0	1	2	3	4	5	6	Average
%	5	11	21	27	21	10	5	**3**

The task word for this question was 'discuss', so students were expected to refer to pros/cons or benefits/limitations. Generally, students were able to identify and briefly explain limitations, but often did not mention benefits.

Examples that students may have discussed included the following.
- Workers will need to be upskilled, so more training is required, which is costly in both time and money.
- Technology often replaces employees, thus leading to job losses.
- Technology can be expensive to introduce and ongoing maintenance can be expensive.
- Technology often creates efficiencies and flexibility and leads to improved customer service, but can also be impersonal, which may lead to reduced customer service.
- Technology minimises waste in inputs, but can create landfill from obsolescence.
- Technology enables organisations to respond more quickly to customer requirements.
- Technology can improve standardisation of work processes and consistency of outcomes.
- Technology may disadvantage the elderly, infirm or disabled who are unable to use it.

The following is an example of a high-scoring response.

Technology is a strategy to optimise operations, using computers and software which enhance production. The positive consequences of technology in operations are that it reduces human error throughout the large production process. It can also lead to an increase in the quality of outputs through refinement undertaken which cannot be achieved by humans. Finally, it speeds up the operations system because technology such as robotics, which are highly specialised computerised technology, have the ability to undertake several complex tasks at once and do not require breaks or holidays.

However, the negative consequences of using technology in optimising operations are that there is generally a very high initial cost to the organisation to introduce it, and even then it is not guaranteed to achieve organisational objectives even though it will optimise operations. Additionally, employees may be made redundant because their role has been overtaken by technological applications thus creating unease amongst the entire workforce as the fear of losing their jobs too. Finally, it can be a very time consuming process to implement the new technology and adequately train employees to use it with confidence.

Question 3
3a.

Marks	0	1	2	3	Average
%	24	36	29	11	**1.3**

Few students were able to define all three leadership qualities. While most students appeared to have a general idea of what leadership qualities were, they were unable to explain all three to a satisfactory standard.

The interpersonal leadership quality involves liaising or dealing with people. The informational leadership quality involves gathering and communicating or sharing data and knowledge, and the decision-making leadership quality involves making choices in order to solve problems or take up opportunities.

The following is an example of a high-scoring response.

Interpersonal – Interpersonal refers to having people and social skills such as communication, emotional intelligence (the ability to recognise and understand feelings) and so on in order to operate effectively in a social setting.

Informational – Informational refers to obtaining the required knowledge and being effective in the communication of this knowledge. For example, being able to communicate an appropriate answer to an employee if they have a question.

Decision-Making – Decision-Making is the ability to identify and evaluate possible available options in response to a situation, and choose the course of action that is the most appropriate and effective.

3b.

Marks	0	1	2	3	4	Average
%	39	12	21	14	14	**1.5**

Students were asked to identify two indicators of corporate culture and then explain how each reflects the shared values and beliefs of an organisation. This question seemed to be misinterpreted by some students who responded as if the question were about performance indicators.

Indicators of corporate culture include
- rituals, rites and celebrations – these provide a sense of belonging and acknowledge what is important in the organisation
- heroes – these are the organisation's successful employees who are held up as an example for others
- dress code, traditional, casual, uniform – this shows the degree of formality within the organisation
- structures and management styles – these show the relationships between staff and managers
- layout of working environment – open plan fosters teamwork, whereas closed offices do not.

The following is an example of a high-scoring response.

Corporate culture refers to the shared values, ideas and beliefs of an organisation and is characterised by its traditions and heroes (rewarded/ideal employees).

An indicator of corporate culture within an organisation is the organisation's slogan or motto. This is an indicator of the formal corporate culture, meaning what is officially written down and presented to the public. A business slogan indicates their focus and therefore, what they value and believe. For example Hungry Jacks slogan is the burgers are better at Hungry Jacks, indicating that they value product quality.

A second indicator is the uniform policy of employees, or how well that uniform policy is enforced. This is an indicator of an organisation's real corporate culture, meaning what they actually value and believe, not just what they claim to. The enforcement of a uniform policy can indicate how professional or strict an organisation is, and their treatment of employees. For example, employees at Hungry Jacks are expected to wear a uniform that is safe in the kitchen, and holds the company's logo. If this is enforced, it is an indication that the organisation values their employees safety, and is not overly laid back, lazy or unproductive.

3c.

Marks	0	1	2	3	4	5	6	Average
%	30	9	13	15	16	10	6	**2.3**

Students were familiar with the elements of the operations system and were usually able to identify an ethical or socially responsibility issue that might be considered at each of the stages in the operations system. However, often students did not describe the issue and explain why it might be an issue that would be addressed or how it could be addressed. Consequently, they did not fully answer the question.

Some issues that may have been described include the following.

Inputs
- Procurement (supply of inputs) – ensure suppliers are ethical and socially responsible. Use of these practices may cost more and may require time and effort to investigate.
- Fair dealing with suppliers – prompt payment may cause cash flow problems.
- Local versus overseas supplier – Local suppliers create jobs for local communities that spend wages, which benefit the local community, whereas using overseas suppliers reduces this.
- Overseas suppliers increase transportation internationally, causing rises in greenhouse gas emissions and increases in environmental costs.
- Environmentally sustainable inputs – cost more and may not be available locally.

Process
- OH&S (beyond legal requirements), improved outcomes for staff, less time lost through injuries, but can be costly through rewriting of procedures, providing safety equipment, etc.
- Training – benefits staff by upskilling, increasing motivation, but loss of time while employees are trained.
- Efficient use of resources – minimising waste.

Outputs
- Create good products that provide value – fit for intended purpose and provide value for money.
- Packaging decisions – aim to minimise packaging to reduce environmental footprint while still considering perishable items and hygiene.

The following is an example of a high-scoring response.

Ethical management refers to abiding by morals and standards and doing the right thing in the interests of the stakeholders. Social responsibility refers to the obligations of the LSO over and above its legal requirements to benefit the community and environment. The elements of the operations system are inputs, processes and outputs.

Alice could be ethically and socially responsible in terms of inputs by sourcing her materials from an ethical and socially responsible supplier. This would mean that the supplier would not exploit labour and would be environmentally friendly.

Processes refer to the activities undertaken in turning inputs into outputs. An ethical and socially responsible issue which Alice may consider from the processes element would be to conduct all production of the books at the organisations' own factory. This is being ethical and socially responsible as it means that Alice may be able to offer more employment opportunities to the community, or to provide variation in employees' tasks due to the organisation not outsourcing production.

Outputs refer to the final product/service at the end of the transformation process. In order to be socially responsible and ethical here, Alice may ensure that the final output is fit for purpose, and contains only truthful information regarding travelling, ensuring that she is applying moral standards and is not misleading customers.

3d.

Marks	0	1	2	3	4	5	6	Average
%	18	8	12	18	21	16	7	**2.9**

Students were generally able to explain both of the motivation theories, albeit sometimes too briefly. Students were asked to evaluate each theory and recommend the theory that would be best in this circumstance. Generally speaking, this was done poorly. Many students were unable to identify either positive or negative elements of adopting either theory, and so did not address this part of the question. Others simply made a recommendation, but were unable to adequately explain why it was the best option in the circumstances. Students are reminded to address all elements of the question and pay attention to the task words contained within the question.

Hertzberg stated that there are two levels of needs – hygiene factors, such as working conditions and motivation factors, such as recognition and achievement. Hertzberg said that hygiene factors do not necessarily motivate employees – if they were not met the employee may be dissatisfied. Hertzberg stated that it was the motivational factors that can create job satisfaction and motivate employees. Hertzberg's motivational factors are intrinsic to the job itself and may be difficult for the manager to control for every employee. The hygiene factors, which the manager will have direct control over, tend to have little impact on employee motivation. Hertzberg's motivational factors may be difficult to measure and are not clearly or directly linked to business performance.

Locke's theory of motivation is a goal-based theory. He stated that employees are motivated to achieve goals they have helped to set, which are clear, specific and challenging, but not impossible to achieve. Implementation of Locke's theory is time-consuming as the manager would need to discuss and negotiate the goals with employees, and it will need to be done on an individual or team basis. However, the employee has clear goals to achieve and the manager has a clear way of measuring the employee's performance against these goals. This also allows for employee feedback and may improve the manager/employee relationship. It may be difficult to align individual/team goals with organisational goals/objectives.

Students could have recommended either theory, providing
- if they selected Hertzberg, their justification was based on his motivational factors of achievement and recognition
- if they selected Locke, their justification was based on the feedback provided after goal achievement and recognition of employee effort.

The following is an example of a high-scoring response.

Herzberg's two factor theory stipulates humans have two levels of needs, which are personal requirements that need to be met if motivation is to be achieved. The first set of factors are hygiene factors which include a safe work environment, adequate levels of pay and their food and shelter needs being met. These factors can either provide dissatisfaction or no dissatisfaction, but they cannot motivate. Motivation can be achieved thorough meeting the motivation factors which include stimulating work, opportunities for advancement and responsibility. In order for employees to be motivated both hygiene and motivation factors must be met. Locke's theory is based on goal setting. Locke believed employees needed to be set clear but challenging goals, then they need to receive feedback on them and acknowledgement for their effort. Finally employees need to be rewarded if they meet their goal or discuss with management why they didn't, usually resulting in further training.

Herzberg's theory may be harder to motivate employees as lots of factors need to be met, as Locke's theory focuses on achievable short term goals, motivation may be more easily accessible. Alice should use Locke's goal setting theory, as staff expressed to her that they felt underappreciated as they received no feedback for their efforts. As Locke's theory focuses on acknowledgement of effort it would be the best suited approach for Alice to implement in order to motivate staff.

Question 4

Marks	0	1	2	3	4	5	6	Average
%	18	13	21	22	16	7	2	**2.4**

This question was not answered well. In many cases, students simply wrote about an organisation they had studied, without directly answering the question. In some cases, they also struggled to relate their organisational example to the impacts on the internal environment. Responses to this question were quite broad and were often determined by the organisation students used as their example. Possible driving forces for change (with possible impacts) included

- poor financial performance – cutting costs, training, investing in technology, restructuring, reducing head count
- competitors – planning on strategic response to competitive threats, resetting corporate objectives, investing in innovations
- political and legal forces – can cause an organisation to change the management structure, or introduce new technology, rewrite policies, move plant to another jurisdiction
- technology – changes in departments, IT support, new training department.

The question required a description of two driving forces for change as well as an organisational example. Many students did not describe the driving forces for change. The example needed to provide enough detail to demonstrate that it was an organisation that had been studied, rather than just general knowledge.

The following is an example of a high-scoring response.

Organisational change refers to the planned or unplanned response to internal and/or external pressures. Driving forces are any factors which support and promote change. Two driving forces at Coles have been competition and technological advancements, which resulted in the introduction of self-serve checkouts in all of their supermarkets. Competition refers to the quest of organisations to retain and gain customers from other similar businesses in the same industry. Woolworth's has always been a major competitor to Coles and in an effort to gain a larger market share and improve revenue, Coles decided to introduce self-serve checkouts. Technological development refers to new applications of scientific knowledge which optimise the operations of organisations. As a result of the development of self-serve checkouts, Coles saw this as an external opportunity to enhance their business and to attract customers. As a result of this change arising from competition and new technology internal operations will be altered and require restructuring in order to produce their outputs. Also, human resource managers will also have to provide training for employees to operate the checkouts, organise redundancy packages for retrenched staff and to offer recognition and rewards to those employees who are embracing the changes made.

Question 5

Marks	0	1	2	3	4	Average
%	46	22	18	9	5	**1.1**

This question was not well answered. Many students, while aware of the steps in Kotter's change management theory, were unable to link them to ethical and socially responsible management. Any of the eight steps of Kotter's theory were appropriate to use. However, the step had to be directly related to ethical and socially responsible management of change. Some students selected one step and explained it in a detailed manner, while others chose more steps with less explanation of each. Both of these approaches were acceptable.

For example, students may have written about the following.

Step 2 – Form a powerful guiding coalition. This is a low-risk strategy as it provides guidance to staff and allows them to seek information from within the organisation. Also this group is able to monitor the change and make adjustments to allow for a better process. This relates to ethical and socially responsible management of change as it considers employee welfare in the change process.

Step 5 – remove obstacles to change. This might involve training employees in new processes and practices. This is ethical and socially responsible as it allows for an increase in staff abilities and talents, and allows them to keep their positions in the changed organisation.

The following is an example of a high-scoring response.

> *Kotter's change management theory refers to an eight-step theory that helps an organisation to efficiently and effectively implement change by providing the use of low-risk strategies and maximising driving forces.*
>
> *One step of Kotter's theory is 'Communicate the vision' which is step four and involves managers communicating all aspects of the change and its advantages to all stakeholders who will be affected by it. This will ensure that change is handled ethically and socially responsibly by ensuring that employees are fully aware of the change and are not left in the dark. This also gives them time to understand and brace themselves for the change, ensuring that their welfare is looked after in this stressful time.*
>
> *Another step is to 'empower people to fulfil the vision' which involves managers motivating employees to adopt desirable behaviours to fulfil the new vision. This may be completed through extra training. This will ensure that the change is handled in an ethical and socially responsible way as employees have the necessary skills and knowledge to implement the change, ensuring their safety, while also ensuring that stress levels are decreased, once again ensuring that the safety and welfare of employees is looked after and taken into consideration.*

Question 6

Marks	0	1	2	3	4	5	6	7	8	9	10	Average
%	10	7	10	12	13	14	13	10	6	3	1	**4.3**

This question required students to provide links between planning, performance indicators and management style and the appropriate stage of the employment cycle. Given that this was a 10-mark question, there was an expectation that a good response would be detailed in nature to address all the elements of the question. As there was no specific direction about the number of practices and processes needed at each phase, it is possible that a student might choose to discuss fewer practices/processes (for example, one from each stage) and then address them in greater depth or choose to discuss more practices/processes (for example, two or three from each stage), thus showing a breadth of knowledge. Both approaches were acceptable.

High-quality responses tended to explain the key terms of planning, performance indicators and management style, and referred to management practices and processes (job analysis, appraisal, redundancy etc.) specifically rather than providing a general discussion.

The following points could be addressed in response to this question.

Planning is a multi-stage process whereby managers identify an objective, analyse the present situation, develop alternatives, select and implement and review/monitor to see whether targets are being met.

Human resource planning is the process undertaken by managers to ensure an adequate supply of competent and motivated people are available to perform the duties and tasks required to meet the organisation's objectives.

In relation to the establishment phase, it may involve forecasting human resource demand, job analysis and job design. This would involve looking at both the internal and external environment of the organisation to note trends, economic factors and expansion/traction goals.

Performance indicators are a set of measures that can be used to measure progress towards the achievement of organisational objectives.

In relation to the use of performance indicators in the maintenance phase of the employment cycle, they could be created for
- performance appraisal to monitor staff performance

- the basis for a recognition and reward program
- identifying the need for training and development

A management style is essentially the way a manager works – their behaviour and attitude. It is the manner and approach of making decisions, providing direction, implementing plans and motivating people.

Termination is when an employee leaves an organisation, ending the employment relationship. This may be either voluntary (resignation and retirement) or involuntary (retrenchment and dismissal).

In the case of involuntary termination of staff, the most appropriate management style would be autocratic. This style works best in this instance because the decision is quick and it suits high risk or difficult decisions.

In the case of voluntary termination, a more employee-centred or democratic management style (for example, consultative or participative) may be the best option. Open communication with significant amounts of employee input, which are characteristics of these management styles, may lead to employee empowerment and sense of ownership over the outcome.

The following is an example of a high-scoring response.

The establishment phase of the employment cycle is concerned with attracting applicants and finding a suitable applicant for a position. Therefore, the management role of planning, which is the process of deciding on objectives for the organisation to work towards, can be used in the establishment phase through human resource planning. HR planning involves determining the future employment needs of the organisation to ensure they are not left understaffed, or overstaffed. Therefore, HR planning can be associated with planning, as it centres around developing plans and objectives as to when and where employees will be needed in the future. If planning is not used in the establishment phase of the employment cycle, the organisation will be unaware of what human resources will be needed in the future which may lead to an inability to achieve objectives in the future.

The maintenance phase of the employment cycle is concerned with ensuring the motivation and enthusiasm of employees is held, and that employees are content with their jobs. A performance indicator, which is a tool or strategy which is used to measure the success of an organisation in achieving its objectives, which could be used in association with performance management (a process involved with the maintenance phase), would be the level of productivity. The level of productivity could be used in association with performance management, as performance management is concerned with not only judging employee performance, but also organisation wide performance. Therefore if results of productivity have increased compared with previous results, it can be seem that both employees and the organisation are performing sufficiently.

The termination phase of the employment cycle is concerned with the departure of employees from the organisation. Therefore, the choice of management style can impact on the termination phase in regard to employee entitlements and transition issues. This can be seen, as if there is an autocratic manager, which is a manager who tells employees how things will be done, it is unlikely that employees will be able to bargain for greater entitlements or departure packages, as the manager will make their decision and stick by it. However, if the manager is participative, where employees and managers work as a team to make decisions, it is likely that they will be open to discussion and will be willing to negotiate with departing employees as to what entitlements they will receive, above what is legally set as a minimum.