

Business management
Higher level
Paper 2

Tuesday 22 November 2016 (morning)

2 hours 15 minutes

Instructions to candidates

- Do not open this examination paper until instructed to do so.
- A clean copy of the **business management formulae sheet** is required for this examination paper.
- Section A: answer one question.
- Section B: answer two questions.
- Section C: answer one question.
- A calculator is required for this examination paper.
- The maximum mark for this examination paper is **[70 marks]**.

4 PAGES / PÁGINAS

Candidate session number: / Numéro de session du candidat: / Número de convocatoria del alumno:

16 N 12 O P 2 - B M H L

Candidate name: / Nom du candidat: / Nombre del alumno:

At the start of each answer to a question, write the question number in the box using your normal hand writing / Avant de répondre à une question, inscrivez son numéro à la main dans la case appropriée / Al comienzo de cada respuesta, escriba a mano el número de pregunta en la casilla.

Example
Ejemplo

27

27

Example
Ejemplo

3

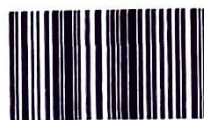
3

3

(a) market share refers to the proportion of the total sales revenue that a business has within a particular industry. High market share will usually lead to increased sales revenue.

(b) Chi is a paternalistic leader, meaning he believes in more traditional motivational theories surrounding paternalism. This means that he will treat employees with respect, however alongside the accompanying top-down communication strategy that may suit a more centralised organisation. Mei, on the other hand, uses "power business" theory in her management strategy. However as a manager, she has more of a focus on day-to-day running and organisational efficiencies whereas her father looks at the "ideal" workplace.

Furthermore, ~~Chi's~~^{Chi's} approach to financial rewards are considerably more old fashioned → he uses elements of Taylor's Theory, which works well given the factory context. In contrast, as a manager, Mei has greater faith in new theories

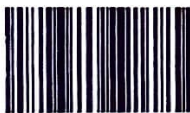


04AX01

surrounding non-financial rewards (enrichment, enrichment, enlargement), on the ~~rewards~~ 'the operational benefits' of the subsequent increased ~~pro~~ performance through these intrinsic motivation (e.g. never hears like Pink).

(physical)
(c) Security: employees value the feeling of long-term security within their jobs. The short-term annual contracts reduce this security, meaning their pay could possibly decrease, or they could face the annual risk of losing their job. As they are nearing retirement age, it is unlikely they could be able to get another secure job.

Esteem: employees ~~who~~ are used to be rewarded for dedication and ~~the~~ loyalty, as they would currently be ("working overtime"). Mei's idea would reduce this level of ~~recogn~~ continual recognition to an annual performance appraisal. Moving away from the aforementioned ~~pro~~ paternalism could, therefore impede the employees' esteem needs.



(d) Employees at Chai manufacturing are not happy with Mei's proposed changes, and are considering strike action. Two other possible methods they could use are a go-slow or an overtime ban.

FFA for go-slow

Driving		Restraining
(4) Place pressure - on JIT	Go - Slow	• CM loses their (3) OSP
	4 3	• lost paternalistic relationship (3)

As per the FFA, a go-slow ~~was~~ ^{is} not the highly effective driving force of a "4" in the case of a JIT organisation. Electric components are a highly competitive and volatile market, meaning CMs' quick delivery dates are a high priority with regards to their OSP. By working at a slow, yet still legal and contractually acceptable rate (the definition of a go-slow), CM will no longer be able to meet the demand of their customers in the short term → this is amplified as due to JIT, they will not have much reserve stock either. Hence, they could quickly lose market share, increasing the employees' collective bargaining power.

An ageing workforce commonly ~~not~~ relies on a paternalistic leader, who is willing to continue employing that workforce instead of a potentially more productive and younger workforce. For CMs



employees, the value the security they feel in their jobs. This security, built through 20 years of loyalty would quickly diminish, removing Chan's incentive to continue relying on the ageing workforce. In the longer term this could, in fact, harm their collective bargaining power, contributing to the "3" restraining force.

FFA for overtime ban

Driving		Restraining	
(4) Fluctuating demand	- overtime Ban 4 2	- low income	(2)

Weighted on a "2" on the FFA, a key driving force for the overtime ban would be due to the requirements of CM to continually meet client demand. An overtime ban would involve employees refusing to work overtime, which is well within their contractual abilities. This, as opposed to the go-slow, is commonly seen as ~~less~~ less of an abuse of the contract as go-slows represent a deliberate misunderstanding of employee work expectations. Rather, an overtime ban will still place pressure on CM's ability to meet demand, whilst avoiding a level of hostility that a go-slow would ensue. This way, collective bargaining power increases, however the employees may still maintain an element of the aforementioned paternalistic



4 PAGES / PÁGINAS

Candidate session number: / Numéro de session du candidat: / Número de convocatoria del alumno:

16 N T Z O P 2 - B M H L

Candidate name: / Nom du candidat: / Nombre del alumno:

At the start of each answer to a question, write the question number in the box using your normal hand writing / Avant de répondre à une question, inscrivez son numéro à la main dans la case appropriée / Al comienzo de cada respuesta, escriba a mano el número de pregunta en la casilla.

Example
Ejemplo

27

27

Example
Ejemplo

3

3

3

Leadership.

However, an obvious restraining force from the overtime ban is the ~~the~~ loss of income for employees. Overtime usually sees an increased wage on top of the "basic wages" that employees already receive. It is ~~likely~~ likely that overtime plays a major role in Chan's philosophy to "care" for the financial welfare of employees. If the ban were to extend, or if Chan were to hire new employees to offset the reduction in available overtime, the employees would have to rely on what is likely already a low "basic wage". If this restraining force is only a "2" on the nearly-retired workforce will likely place greater emphasis on job security rather than that than wages.

In conclusion, it was identified that a go-slow, despite being within contractual allowance, would harm the employee-employer relationship too much, which is disastrous for the ageing workforce. An overtime ban was seen to be a ~~more~~ better way of still ~~accrue~~ accruing bargaining power,



04AX01

might only losing out on potential earnings. Hence
~~is~~ an overtime ban in the recommended
industrial relations method.

