

2015 VCE Industry and Enterprise examination report

General comments

Overall, responses to the 2015 VCE Industry and Enterprise examination showed that students had a broad knowledge of the key ideas in the study design. Many students were able to link their own experience of work to the questions that were asked. Students effectively used these experiences as examples and evidence in a variety of responses. There was also a large number of real-life case studies and examples that students applied to support other responses, especially on the topics of innovation, workplace flexibility and environmental sustainability. However, students should be reminded that they need to be very familiar with the key knowledge and skills for each Area of Study so that they can respond effectively and precisely to specific questions, rather than writing all they know about a key term that they isolate in a question.

As has been the case in recent years, it was clear that most students had used previous examination reports as part of their preparation for the 2015 examination. This is important, as sound examination technique is vital if students are to achieve their best possible result. In the examination, paragraphs are required for longer responses and the use of dot points or incomplete sentences should be avoided.

In 2015, the number of appropriate responses to task words improved significantly, but the instructions 'evaluate' and 'compare' still caused problems for many students. 'Evaluate' requires students to assess the value of something, while 'compare' requires students to comment on similarities and differences. Another area of concern was that the length of a number of responses was not appropriate for the question.

Question 1a.

Marks	0	1	2	Average
%	6	52	42	1.4

The question used the phrase 'in a workplace or community setting with which you are familiar', asking students to link their experience of work to the key knowledge. High-scoring responses moved beyond describing aspects of occupational health and safety (OH&S), and commented on how the workplace or community setting managed OH&S. This could have included signage, explicit statement of responsibility in job descriptions, inclusion of OH&S in meeting agenda and monitoring of operations.

The following low-scoring response focuses on describing the 'what' and/or 'why' of OH&S.

At the hair salon I work up I sweep the floor to stop it getting slippery with hair and dropped product. This makes the salon safer for staff and customers.

The following high-scoring response focuses on describing 'how' OH&S is managed.

At ... there is an on and off site OH&S training as part of induction. This is supported by each new worker having a mentor. There are posters around workplace promoting worker responsibility and alerting workers to correct procedures. A committee closely monitors operations and conducts audits.

Question 1b.

Marks	0	1	2	3	4	Average
%	2	11	30	30	27	2.7

Responses could have drawn on students' observations during their experience of work and/or from coursework. High-scoring responses addressed both employer and employee benefits, although there did not need to be equal weighting.

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

Benefits of OH&S for employers include that they will have a high level of confidence in the ability of operations and procedures in the workplace to provide a safe working environment for all. This will mean that they will be able to concentrate on ensuring that the workplace is able to provide high quality goods or services at a competitive service and to be able to take advantages of opportunities to innovate. More specifically employers may find that they are more likely to become an employer of choice as employees will feel valued and supported. If OH&S incidents reduce insurance premiums may also reduce and the reputation of the firm may improve. The main benefit for employees will be that they will be working in a safe working environment. This may mean that they also feel more committed to the workplace and may make more contributions.

Question 1c.

Marks	0	1	2	3	Average
%	11	16	26	47	2.2

Work-related skills is an umbrella term for those skills and competencies that allow effective participation in work and life generally. Examples of work-related skills are the ability to use technology, planning and organising, and displaying flexibility (see page 12 of the *VCE Industry and Enterprise Study Design* for more details). The majority of responses showed how the acquisition of these skills improved the level of safety in the workplace. High-scoring answers explicitly linked an individual work-related skill to potential benefits in the workplace.

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

Many work related skills will assist employees to meet their OHS responsibilities. Two of these are initiative & problem solving. If an employee displays initiative they will be active in all aspects of the workplace. They will be more likely to speak up about issues and suggest ways of responding to risks in the workplace. Linked to this is that they will have a range of problem solving skills so that in addition to identifying a risk they will be able to suggest ways of responding to risks. If they also have the ability to work as effective team members they will be able to influence and coach others in best practice work behaviours which will help ensure a safe workplace.

Question 2a.

Marks	0	1	2	Average
%	38	35	27	0.9

A large number of responses to this question did not show knowledge of the concept of quality assurance. Quality assurance is a certification of quality granted by a suitably qualified, independent body (such as ISO). In order to gain certification, a product (good or service) is tested according to predetermined, set criteria. Benchmarks are set that must be met in order for certification to be awarded. Once attained, this 'assures' external stakeholders that the product meets quality standards as it has been independently tested and certified.

Question 2b.

Marks	0	1	2	3	Average
%	9	40	29	21	1.6

Responses to this question were required to link benefits of quality assurance to market share and competitiveness. While most students were able to make some relevant comments, most responses did not provide the detail and/or specific comments required to be awarded full marks. Businesses compete on price and quality. The provision of consistently high-quality goods and/or services increases competitiveness as consumers will be more likely to purchase (and re-purchase) and this will lead to a greater market share. As quality assurance often includes a widely recognised symbol, such as red ticks, this in itself may increase competition and market share.

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

... can gain more credibility in the market with QA certification where the production processes would be tested against set criteria and industry benchmarks by an independent body. Potential customers would be assured that ... possess the quality standards that other, larger organisations may have. They would be seen as a credible (and licensed/qualified) construction company with an ongoing commitment to quality outcomes. Customers are more likely to select an organisation that obtains this certification - when presented with others who do not. This should lead to increased business and therefore market share.

Question 2c.

Marks	0	1	2	Average
%	26	36	38	1.1

It seemed that many students misread this question, because a large number of responses described how workers used work-related skills to manage quality processes and did not focus on how this could assist Peter. The following is an example of this type of response.

If workers develop their problem solving skills they will be able to assist each other if something goes wrong in making or supplying the good or service. They can also use their initiative to make suggestions to improve quality more. This will make workers feel proud of their work and will increase their employability.

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

If Peter promotes the development of work related skills like, teamwork, effective communication and problem solving by his employees this will have a number a number of benefits which will assist Peter to manage quality processes. High levels of teamwork and communication means that employees will be able to rely on and assist each other. This allows Peter to concentrate on other management tasks rather than constantly monitoring what his employees are doing.

Question 3

Marks	0	1	2	3	4	5	6	Average
%	6	18	30	17	15	7	8	2.7

Students wrote about a wide range of industry or workplace responses to the issue of environmental sustainability. These included monitoring waste and recycling, increased use of solar power and appropriate use of natural resources.

The quality of responses to this question varied. Correct interpretation of the question was essential. Some students identified that the question focused on environmental sustainability, ignoring the rest of the question, and simply described an example of environmental sustainability. These responses did not score highly.

Answers needed to outline the benefits and limitations of the response and provide a meaningful conclusion. Statements such as the industry 'has responded to a significant extent' needed to be developed to be awarded marks. In general, conclusions were most effective when positioned as the central idea for the final paragraph. This way, the student could explicitly reference preceding comments to support their overall judgment. Students needed to provide detailed points to produce a high-scoring response.

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

Environmental sustainability means that we use natural resources mindfully so we do not deplete them. It requires the design of processes which minimize environmental damage and waste and ensure the availability of high quality natural resources in the future. The response to the pressure to change our use of natural resources has varied greatly within and between industries. In the retail and manufacturing industries Ikea has announced itself as a transformational leader in environmental sustainability. In 2013 they launched their international environmental sustainability strategy 'People and Planet Positive'. The strategy has a number of audiences employees, customers and other firms. This means that the same approach is used in each country that Ikea sells in or secures materials from. This broad based document covers all aspects of the firm's operations including waste management, sustainable timber sources, carbon footprint and sustainable food sources. Ikea have introduced a range of strategies, which are detailed in the report, to guide the implementation of the approach. This includes the training of employees and sourcing of materials.

A challenge is that the strategy is not responsive the needs of individual countries. As a global response it may not reflect priorities in individual countries. Australian water use and salinity issues suggest that water efficient dishwashers and mixer taps should have been introduced earlier here. The comprehensive scope of the strategy may limit stakeholder's understanding and therefore the effectiveness of the strategy. It may be beneficial to provide flexibility so that the needs of individual countries are incorporated into the strategy.

Overall, the firm has demonstrated strong leadership in the area of environmental sustainability. The report is very comprehensive and subsequent actions to support successful implementation could make the firm's response a benchmark for action by other firms. In order to maximise benefits to individual countries the firm should consider allowing management in individual countries to adjust the timeline to suit local issues and ensure that sustainability is maximized at the local level.

Question 4a.

Marks	0	1	2	3	Average
%	22	22	32	24	1.6

This question required an understanding of the relationship between exchange rates and international competitiveness. It was generally well answered.

The value of the Australian dollar can be seen in the exchange rate. In the last five years the Australian dollar has been very high compared to currencies such as the US dollar. This has made it more expensive for Australian firms to export and has compounded the high production costs. In response, industry has marketed a clean and green image in export markets. Recently the value of the Australian dollar has fallen, so Australian exports are now cheaper overseas. This means that Australia is more internationally competitive.

Question 4b.

Marks	0	1	2	3	4	5	Average
%	18	7	24	20	19	12	2.6

Many responses did not demonstrate a clear understanding of free trade agreements. These are formal agreements between two or more countries that aim to increase the level of trade of goods and services and reduce trade barriers such as import quotas and tariffs. High-scoring responses

demonstrated an understanding of the term and then discussed the benefits and the limitations of free trade agreements for both consumers and industry.

Significant stimulus material was included in the question but, frequently, students did not refer to it. Students are reminded that they should incorporate some points or ideas from the stimulus material in their response. An example of this is shown in the following response.

The Free Trade Agreements will increase access to markets in Japan, China & Korea. Coupled with the falling Australian dollar and the positive branding of our exports as clean and green this should lead to an increase in our exports to these countries. This will have positive benefits for exporters as their profit margins will increase. Individual firms will be able to maintain or increase employment. Consumers will also benefit as imports from these countries will be cheaper. For example the price of imported cars from Japan has already dropped by approximately \$2000. Consumers can expect decreases in other imports from these countries. Consumers may also be able to access new types of goods and services.

However there are a number of potential challenges especially if we are not able to compete on price with imports from these three countries. Domestically consumers could switch to cheaper imports. This could mean more Australian firms go out of business and more Australians are unemployed. Consumers are also likely to be faced with price increases of Australian goods, especially in fresh food, as industries export more to Asia forcing up domestic prices. The impact on industry will depend on a number of factors. This creates an uncertain future and may impact on the level of confidence in industry.

Question 5a.

Marks	0	1	2	Average
%	27	27	46	1.2

The majority of responses were able to describe enterprising behaviour as that shown by both employees and employers who demonstrate and utilise enterprising characteristics; for example, showing initiative and being adaptable and resourceful in their work and life.

Question 5b.

Marks	0	1	2	3	Average
%	10	25	30	35	1.9

High-scoring responses made explicit links between Mel's actions and enterprising behaviour. Some responses took a general approach and explained how enterprising behaviours were demonstrated, while others explained how specific enterprising capabilities, such as initiative, were demonstrated. Both approaches were acceptable. Responses were required to use the stimulus material.

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

Mel has demonstrated enterprising behaviour by taking managed risk to buy and then expand her business from the retail sector into online trading and seeing the need to change work practices. She has shown initiative in creating a new brand to launch the online side of her business, opening up new market share and has been adaptable in making changes that are embracing current trends to trade online.

Question 5c.

Marks	0	1	2	3	4	Average
%	18	17	24	22	18	2.1

Most students were able to make some comment linking enterprising behaviour and Mel's employees. However, many did not provide sufficient detail to be awarded full marks or did not comment on how this behaviour would assist in the development of an enterprise culture. Students are reminded that an enterprise culture is one where the ways of behaving in the workplace or

industry reflect enterprising capabilities, such as risk taking, innovative thinking and problem-solving, at both individual and organisational levels. Again, the response needed to be linked to the stimulus material.

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

An enterprise culture is one characterised by high levels of creativity and teamwork. Mel's employees could suggest ideas and innovations to further improve the workplace. They can contribute to solving problems and provide solutions to assist with the growth of the business. The employees have access to further training and are able to attend planning meetings with the employer and contribute to ideas and solutions that might occur in the business. This behaviour assists development of an enterprise culture as it shows that all members of this workplace contribute and know that their ideas and contributions will be considered. This in turn contributes to increased productivity and a more harmonious workplace where all employees are working proactively for the business.

Question 6a.

Marks	0	1	2	3	4	Average
%	13	18	38	16	14	2

High-scoring responses outlined similarities and differences between an innovative culture and enterprise culture. Responses that provided definitions or descriptions separated by words like 'whereas' could not be awarded full marks. 'Culture' is the dominant values and beliefs of an organisation. 'Innovation' is about 'thinking outside the box' to generate new ideas or processes; this also demonstrates enterprise. 'Enterprise' is a broader term covering a wide range of behaviours and values that may not include innovation.

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

An enterprise culture is one which promotes behaviours like managed risk taking, problem solving, team work, planning and organising and innovation. Not all enterprising cultures show a focus on innovation. Innovation supports creative thinking to generate new or improved products, services or processes. This drive is at the core of the values and beliefs. However, if a firm creates an enterprise culture it is likely that levels of innovation will increase even if this is not the intended outcome. This means that the similarities and differences will vary from work setting to work setting. In general the cultures are similar as they are both proactive and emphasise teamwork and open communication. The key difference is that not all individual enterprise cultures are also innovative.

Question 6b.

Marks	0	1	2	3	4	Average
%	12	9	16	26	38	2.8

This question was very well handled. A large number of responses identified two work-related skills and described how they could assist with the development of an innovative culture. The most commonly identified skills were problem-solving, teamwork and showing initiative.

Question 6c.

Marks	0	1	2	3	4	5	Average
%	7	17	42	19	11	4	2.3

There was a low percentage of very good responses to this question. High-scoring responses outlined the student's understanding of innovation then showed benefits and limitations in an industry's or workplace's response. While the majority of students attempted to do this, many of the responses lacked the required precision and detail. Students are advised to think carefully and select appropriate case studies throughout the year, and then ensure that they have sufficient

knowledge of them to apply to examination questions. Responses were required to address the extent to which innovation was occurring and to have a conclusion.

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

Innovation can be defined as a new or improved idea which supports progress in products, services or processes. Innovation is important as a firm or industry with a high degree of innovation will be more likely to provide high quality products and services and therefore be successful. The Commonwealth Bank is acknowledged as a leader in innovation in Australia. In 2014 Business Review Weekly recognized it as one of Australia's most innovative companies in the financial services sector. Their approach began in 2011 when the bank established an 'innovation academy'. They have constantly demonstrated innovation since then. They recently launched a wide range of technology based new ideas to better meet customer needs. The pace and breadth of innovation at the bank accelerated when Lisa Frazier was hired in 2013. Frazier has over twenty years experience in IT based innovation in Silicon Valley. She introduced a strong team approach which emphasized an innovative approach to problem solving using many strategies, like 'curiosity quickfire', she had employed in Silicon Valley. This was a change for the company which had previously defined innovation only in terms of IT applications.

The rate of change was very quick and broad based so while this helped the bank to gain positive publicity and awards it was difficult for employees to cope with the rate of change or to know where to prioritise. Employees might have felt burnt out as too much was demanded of them. They may have felt that they were expected to give but that they firm was not giving them rewards, like increased wages or flexibility. If this continues they may leave the bank.

Question 7a.

Marks	0	1	2	3	Average
%	2	8	23	67	2.6

Students showed an excellent ability to interpret the graph and produce a description of the appropriate length.

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

The graph shows the percentage of casual employment for various age groups in November 2013. Younger people, those aged under 24, are very likely to work on a casual basis. Nearly 75% of 15 – 19 year old workers have casual employment. The percentage of casual employment declines after that but do increase slightly for those aged 55+.

Question 7b.

Marks	0	1	2	3	4	5	Average
%	7	12	20	19	29	13	3

Responses identified a number of potential impacts of casual employment on employees and employers. These included the employer's ability to be flexible in setting shifts and cancelling them without notice, easier expense control for employers and an increased hourly rate but limited access to legislative protection for employees.

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

From the employer's perspective, casual work arrangements allow for a 'needs' based arrangement whereby workers can be utilised, as they are required. Labour can be utilised efficiently as it is required- with no commitment to the provision of hours and entitlements in down turns. There is often lower labour costs and casual arrangements allow for businesses to respond quickly to market changes. However, labour turnover can be very high with employees not feeling 'part' off the firm and the employer often not wanting to commit money to train casual employees.

Casual employment can be attractive for some employees. Young people who are still at school often benefit from flexible shifts in retail and fast food firms. They like the higher hourly rate and the flexibility that is provided. However, they need to be aware that they have very limited entitlements for example sick and annual leave.

Question 7c.

Marks	0	1	2	3	4	Average
%	19	12	20	13	37	2.4

A large number of flexible work arrangements could have been described, either numerical or functional; for example, telecommuting, job-sharing and hot-desking. Students' responses sometimes lacked sufficient detail.

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

Casual work refers to an informal employment arrangement where there are no fixed, contractual hours of work. A casual employee works if and when the employer demands them, and/or, if and when the employee is available. Usually (although not always) casuals have irregular working hours that vary week to week. A casual employee receives a higher hourly rate of pay- while sacrificing leave entitlements that are awarded to permanent part or full-time employees.

Telecommuting is a work arrangement where employees do not commute to a central place of work. Instead, telecommuters work from home or alternative places away from the centralized work office. Some telecommuters use mobile telecommunications technology to work from other locations or mobile offices roaming from one place to the next.

Question 7d.

Marks	0	1	2	3	4	5	6	Average
%	34	13	14	21	6	7	5	2

While most students attempted this question, many did not score any marks. The question asked students to explore how changing societal values and attitudes to workplace flexibility had impacted on industry. Responses did not have to agree that changing social values had been a catalyst for change in the level of workplace flexibility, nor find that the industry's response had been effective. High-scoring responses drew on a wide range of content studied during the year.

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

In recent decades there have been significant changes in social attitudes towards work in particular to the desirability of a 'work life balance'. This has partly been driven by increased workforce participation by women with children, changing relationships of men with their children and later retirement ages. These have created the opportunity for industry to respond with increased flexibility in work practices.

Flexible work practices covers a broad area focused on where, when and how work takes place. In general flexibility in this area is at the discretion of individual firms within an industry. A study published by the federal government showed that 30% of Australian firms engaged in some type of flexibility workplace arrangement but there were few changes across a majority of firms in any industry. The key examples of the use of 'flexible work practices' were the increased use of part-time work, a reduction in hours worked by full-timers, the use of flexi leave, tele-commuting and video-conferencing.

The financial services sector, in the past ten years, has seen a significant decline in full time work for women and an almost identical increase in part time work for women. Full time work for men also declined but was not matched by an increase in part time work suggesting that the men terminated their working relationship with employers. Within the industry there are isolated examples of the increased use of telecommuting and flexi-leave arrangements. ... In February this year a report was published which showed that the number of women in senior management roles had not grown in Australia. One reason suggested for this was that family responsibilities meant that women felt unable to work full time or hours outside of the norm as they had problems accessing flexible child care.

Recent changes to the Fair Work Act give parents with children under the age of 18 or with a disability the right to request a flexible work practice arrangement. As yet there is no data on the impact of this change to the legislation but my teacher said that at our school all women returning from family leave were able to return on a part time basis and were able to negotiate which day(s) they did not work.

Overall it seems that no industry or the majority of firms in an industry have made system wide changes. Flexible work practices seem to be piecemeal and a tool for managing financial considerations in the firm and economic conditions rather than a genuine desire to change mindset and create a range of flexible work practices by redesigning jobs and considering the overall operations of the firm. That is, they are reactive not proactive. If industry is to reflect significant changes in social attitudes then they need to be much more innovative and proactive. If they do this overseas research and the experience of early adopter firms, like Google, indicate that they increase the morale of their existing staff and be more attractive to new staff. This leads to increased retention and productivity.