



2006 Industry and Enterprise Studies GA 3: Written examination

GENERAL COMMENTS

Students in 2006 made excellent use of the space provided for responses in the examination booklet. The number of lines provided seemed to have helped them clarify the depth required for responses. Students must remember that if they use the extra pages at the end of the booklet, they must clearly indicate this in the answer space **and** write the question number at the beginning of that response on the extra page.

In a number of questions students made excellent use of their work placement. This could be further improved if teachers carefully unpack the work placement and show students links between it and coursework. Case studies, often supported by statistics and quotes, were extensively used; however, it was disappointing to see the use of dated case studies when there are a large number of current examples, such as Jimmy Possum, that could be substituted. In a number of papers it was clear that students had taken excursions to workplaces. In these instances the student's ability to transfer their knowledge and understanding was obvious.

As the 2005 Assessment Report outlined, many students continue to demonstrate poor examination skills. Students must practise past papers and note common mistakes mentioned in recent Assessment Reports. Prepared answers were rare this year and the majority of students made a genuine attempt to respond to the questions asked. However, many students lost marks by misreading the question and not responding to all parts. Students need to develop strategies to address this.

SPECIFIC INFORMATION

The information below provides samples of the types of answers expected of students. Where appropriate, these have been written from a student's perspective.

Section A

Question 1a.

Marks	0	1	Average
%	52	48	0.5

Enterprise culture means that an organisation has developed a set of universal values and beliefs characterised by enterprise qualities such as creativity and innovation. Workplaces and industries that have fostered enterprise in thinking, processes and practices can improve their outcomes.

It was a concern that, in a study called 'Industry and Enterprise', half of the students sitting the examination could not define the term 'enterprise culture'. It is essential that students develop and learn a glossary of key terms. Many responses simply listed a range of enterprise qualities without referring to culture.

Question 1b.

Marks	0	1	2	3	4	Average
%	17	12	26	22	23	2.2

A workplace that has an enterprising culture is Kirk's Hardware where I completed my work placement. They have an enterprising culture because they are constantly evaluating and changing processes and practices to improve the quality of outcomes. They provide a high level of training for employees based around enterprise skills such as accepting responsibility, planning and problem solving. We worked as a team and were encouraged to initiate ideas and manage risk. This approach means that the workplace is able to mobilise resources in relation to work and work outcomes at both individual and workplace levels.

Students were required to specifically name a workplace with an enterprise culture and then provide evidence which supported their assertion. Many students simply listed key facts and did not answer the question fully.

Question 1c.

Marks	0	1	2	3	4	Average
%	18	20	28	18	15	1.9

Teamwork is fundamental to developing and maintaining an enterprise culture. It encourages communication and shared responsibility. Teamwork allows ideas to be developed and exchanged. This often generates synergy where the quality of ideas is enhanced, as is the ability of the work teams to demonstrate initiative and solve problems. Virgin

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Blue has this culture as they attempt to empower all employees, treat them equally and involve them in a number of decision making processes.

Many students had a narrow understanding of teamwork that revolved around workers developing strong friendships. They need to understand that the primary motive of teamwork in an organisation is to improve the quality of outcomes. An explicit example of this needed to be provided and could have been used either at the end of the response or to frame the entire response.

Question 2a.

Marks	0	1	2	Average
%	6	53	41	1.4

The graph provides data about the manufacturing industry in Australia. It shows that between 1996 and 2005 employment in the industry declined from approximately 1 190 000 to 1 050 000 employees. While uneven, the data clearly shows a strong downward trend.

This question was generally well answered. Students were expected to comment directly on data from the graph in their responses.

Question 2b.

Marks	0	1	2	3	4	Average
%	12	1	35	0	52	2.8

- The skills shortage means that employers in the industry are not able to locate employees with the skills needed. This is due to a number of reasons, but central is that in recent years employment in the trades has not been seen as an attractive option for school leavers.
- In some areas technology has replaced employees so that the industry now needs to employ less staff. A number of firms have relocated overseas to take advantage of cheaper labour and operating costs.

Students were required to suggest logical reasons for the data. Many students were able to make this link, skilfully providing reasons and supporting them by referring to issues studied during the course.

Question 3a.

Marks	0	1	2	Average
%	13	39	48	1.4

Quality is the overall standard of the goods or service. It is frequently measured against a set of indicators from within the workplace or by referring to the industry. An example of a quality process is TQM (Total Quality Management).

If a word has a number of meanings, students should ensure that they select the meaning that is appropriate to the context of the question. A number of students did not gain the second mark because they did not provide an example.

Question 3b.

Marks	0	1	2	3	4	Average
%	17	3	20	20	41	2.6

In the retail industry, two stakeholders who would benefit from a quality process are customers and the business owner.

For customers, a quality process such as the implementation of ISO 9000 will mean that there is some assurance of a consistent and acceptable standard. The customer can purchase the product with confidence knowing that it will meet its intended purpose. Customers are then more likely to be loyal to the product and may recommend it to others.

For the business owner, quality assurance will mean that the marketability of a product is improved as an independent guarantee is a good selling point. This improved reputation should generate an increase in sales. In addition, the assurance process may lead to cost efficiencies in the production.

Students were confident with this question. They were able to identify stakeholders and make relevant comments to show how the nominated process benefited the stakeholder selected.

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Question 4a.

Marks	0	1	Average
%	21	79	0.8

Innovation is the process of developing new ways or improving existing ways of doing things. This includes organisational and operational processes as well as new or varied product or service ideas.

Most students were able to provide an acceptable definition of innovation. An example was not required but could be used to support the definition.

Question 4b.

Marks	0	1	2	3	4	Average
%	16	5	16	33	29	2.6

During the past 10 years electronic stocktaking procedures have been implemented in the retail industry. In my part-time job at Murphy's IGA all products are given a barcode; when these are scanned at the point-of-sale, stock control records are adjusted and goods are re-ordered when stock levels fall below a certain point. This system was introduced because a more efficient way of controlling stock was required. There are a number of benefits for the workplace, including greater knowledge of stock levels, decreased likelihood of exhausting stock, more accurate bookkeeping and decreased costs.

Students needed to be careful when answering this question to ensure that they addressed all parts of the question. Many students did not select an innovation in the required time frame. 'Computers' was not acceptable; however, a number of innovations in information and communication technology, such as e-commerce and teleconferencing, were. To gain full marks students were required to describe the innovation, suggest reasons for it and identify benefits from it.

Question 4c.

Marks	0	1	2	3	4	Average
%	40	20	20	11	9	1.3

Innovation has played a significant role in the retail industry in the last 10 years. The need to be innovative in order to maintain profitability has assisted the industry to be open to new ideas and manage risks. It has been responsible for a flatter, team-based approach to operations. Teamwork has been supported by targeted training to develop the skills needed to facilitate this. This approach is responsible for facilitating the change in values and behaviours in the workplace.

This question was generally poorly answered, but there were a number of sophisticated responses that demonstrated a complex understanding of the relationship between innovation and cultural change. Many of these responses used the innovation discussed in the previous question as a basis for their answer.

Question 5a.

Marks	0	1	2	3	4	Average
%	15	21	25	21	18	2.1

Costs

- Jobs may be lost to China as a result of cheaper labour. This may increase unemployment in Australia if the displaced workers are unable to find alternative employment.
- The massive increase in the Chinese economy's demand for our natural resources may lead to depletion of these resource as well as damage to our environment.

Benefits

- Australian companies may move offshore to take advantage of cheaper labour and production costs.
- The Chinese economy is booming – our easier access to it will have a positive impact on our trade figures.

As was the case in 2005, responses to this question were disappointing. A common mistake was that students assumed 'free trade' meant no financial exchange. However, the question provided an excellent opportunity for more able students to demonstrate their understanding.

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Question 5b.

Marks	0	1	2	3	4	5	6	Average
%	43	16	16	11	7	3	3	1.5

The manufacturing industry faces a number of significant challenges from the free trade agreement (FTA), including the need to apply enterprise skills to transform this challenge into an opportunity.

The industry will need to be more flexible and work practices may need to alter to allow the industry to be competitive. This might involve multi-skilling to increase productivity. The industry needs to focus on providing quality products, as consumers are prepared to pay for top quality.

The industry needs to look for innovative solutions to the challenge. This may include altering their products or services to better satisfy the market and to identify niche markets. There may be innovative ways to modify the operation system to cut costs and/or improve quality. At a management level, the industry needs to investigate the new markets that globalisation makes available as well as use best practice to negotiate deals within those markets.

Finally, the industry must see the FTA as an opportunity to access a huge market. Every effort must be made to understand this potential market and to apply enterprise skills to dealing with it in order to take advantage of that potential. For example, the industry must develop their understanding of how the Chinese economy operates; they must look for new ideas, plan and be prepared to take managed risk. An example of a manufacturing firm which has been prepared to do this is a relatively small Sydney firm which makes woollen curtains. They have recently secured a large contract with the Chinese government to make and supply curtains, made in Australia from Australian wool, for government offices in China.

This was the most poorly answered question on the examination. Students' lack of understanding was compounded by a widespread belief that Australian industry was not able to respond to the challenge of the FTA and was impotent in the face of it. This was despite the minister's statement in the stimulus material. In addition, many students struggled to provide a response that was worthy of six marks. Students should develop strategies to answer questions of this type.

SECTION B

Question chosen	0	1	2	3
%	2	44	17	37

Part a.

Marks	0	1	2	3	4	Average
%	7	14	29	20	30	2.5

Part b.

Marks	0	1	2	3	4	5	6	Average
%	13	11	18	15	14	9	20	3.1

All questions in Section B required students to identify and describe the variable selected within the context of a workplace. Students again showed that they had gained significant knowledge and understanding from their experience of work. Better responses linked that experience with relevant coursework. In part b. students needed to identify logical stakeholders and evaluate the impact of the variable on those stakeholders.

Question 1

Topic: Technology

1a.

In my work placement at Target there have been a number of changes in point-of-sale technology. The registers' operating program and barcodes provide management with detailed information on each item of stock to improve stock control. Management knows the volume of stock, which is automatically reordered, and is able to give advice to customers about stock.

1b.

Employees can now be re-allocated to other duties within the workplace. In some cases workers might be terminated as they are no longer needed. In the implementation periods employees needed to be trained in the new technology. Customers are stakeholders who have benefited from the technology as they can now obtain more detailed knowledge about product availability.

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Question 2

Topic: Workplace flexibility

2a.

Workplace flexibility covers a wide range of work practices. One emerging practice is the development of home-based businesses. These businesses occur across a variety of industries, frequently on an outsourced contract basis. In Victoria they are growing at the rate of five per cent per year, and the rate is even higher in areas such as the City of Knox where I live. At my workplace all financial and website services are outsourced to two home-based businesses, in one case the micro business is operated by an employee on family leave. Home-based businesses make extensive use of electronic tools to communicate and transfer work.

2b.

Home-based businesses have a number of advantages for employers. They do not have to employ permanent staff when there is insufficient ongoing demand for their skills. Resources are released and costs can be reduced.

Employees are stakeholders impacted by home-based businesses. For many this impact can be negative as they may lose their jobs or fear unemployment in the future. This impacts on their morale as well as their connection with the workplace.

A final stakeholder is the person running the home-based business. The impact on them will depend on whether they wish to work this way or would rather be a permanent employee. If the former, the impact should be positive as they can be flexible and set their working hours around family commitments. They also save on travel time and costs. The impacts could also be negative as they are dependent on technology.

Question 3

Topic: Training

3a.

A widely used type of training is competency-based training which is used in the CFA. The system is based on breaking training into small parts which are assessed, often in the workplace, against performance standards. Many competencies are linked to a formal certificate which provides the employee with a qualification.

3b.

The CFA was impacted by the change as it took a significant amount of resources – time, money and personnel – to implement the new system. The organisation also had to cope with resistance to change by many of the volunteers. In addition, the organisation had to ensure that peers were trained to a Certificate IV level in workplace assessment.

The volunteers were impacted as they had to complete the competencies before they could go on the fire ground. For many this process was stressful. When I spoke to volunteers they said that, after the initial shock, they found the modules to be logical and the training increased their skill level as well as giving them confidence that other firefighters were trained to a consistent standard.

Another stakeholder is the community, which now should feel confident that all firefighters have a detailed understanding of what they are doing. The insurance companies who partly fund the CFA also have increased confidence in the CFA's ability to respond to situations in an efficient way.