

Question 1

Southern Furniture Ltd's mission statement reads

Southern Furniture Ltd is a leader in the manufacturing of household furniture. Our mission is to meet customer needs with the highest quality products and services. This will support the profitability and the growth expectations of our shareholders. We care about the future of our environment and we support programs that protect communities.

The CEO, Mr Gomm, and his senior managers have developed a strategic plan for the next five years. The intention of this plan is to inform all staff within the organisation that changes have to be made.

The strategic plan includes the following objectives.

- increase market share by 25% in China (an identified growth area)
- reduce materials waste by 5% per year
- achieve and maintain ISO 9000 accreditation
- increase productivity by 8% through the use of new automation/technology

In addition, Mr Gomm also announced there would be a review of the current organisational structure to assess whether it is still appropriate.

Mr Gomm informed Susan Wu, Human Resource Manager, that the following strategies must be put into action.

- the firm will adopt enterprise bargaining agreements
- current staff will need to be retrained to use the latest technology
- training of staff will now be outsourced

a. Define these terms.

i. productivity

ii. outsourcing

1 + 1 = 2 marks

Question 3

Joe Johnson owns and runs Slippery Shirt Company. He makes large profits by using ‘sweatshops’ (where pay and conditions are well below the industry award) to sew his shirts. Joe is retiring and passing the business to his son, Jack, who is determined to bring in policies that treat his staff and contractors in a socially responsible manner.

a. Define the following terms.

i. policy

ii. organisational change

1 + 1 = 2 marks

b. Describe an appropriate change management theory Slippery Shirt Company could use to implement the new policies.

3 marks

- c. Identify and explain an appropriate management style that could be used in implementing enterprise bargaining within this workplace.

3 marks

- d. Select and discuss **two** appropriate key performance indicators to measure the success of enterprise bargaining.

4 marks

Total 16 marks

