



Business Studies

Student Workbook

Student name: _____



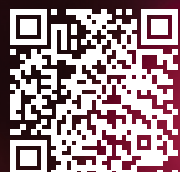


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LOVE THESE SUBJECTS? SEE WHERE THEY CAN TAKE YOU! FIND YOUR PATH FROM HSC TO UNIVERSITY.

YOU LOVE ENGLISH? *WHY NOT STUDY:*

- B Communication
- B Screen Media (Arts and Production)
- B Education (Primary)
- B Education (Secondary)
- B Arts
- B Arts (Interpreting and Translation)
- B Laws
- B Performing Arts (Acting)
- B Music
- B Design (Visual Communication)
- B Music
- B International Studies

YOU LOVE STUDIES OF RELIGION? *WHY NOT STUDY:*

- B Arts
- B Social Science
- B Education (Primary)
- B Education (Secondary)

YOU LOVE HISTORY? *WHY NOT STUDY:*

- B Arts
- B International Studies
- B Social Science
- B Education (Primary)
- B Education (Secondary)
- B Tourism and Event Management
- B Planning (Pathway to M Urban Management and Planning)

YOU LOVE VISUAL ARTS? *WHY NOT STUDY:*

- B Architectural Design
- B of Design
- B of Design and Technology
- B of Industrial Design (Honours)

YOU LOVE BUSINESS STUDIES? *WHY NOT STUDY:*

- B Business
- B Accounting
- B Education (Primary)
- B Education (Secondary)
- B Tourism and Event Management
- B Construction Management (Honours)

YOU LOVE LEGAL STUDIES? *WHY NOT STUDY:*

- B Criminology
- B Criminal and Community Justice
- B Cyber Security and Behaviour
- B Policing
- B Laws
- B Social Science
- B Humanitarian and Development Studies
- B Education (Primary)
- B Education (Secondary)
- B Construction Management (Honours)
- B Social Work
- B Youth Work

YOU LOVE COMMUNITY AND FAMILY STUDIES STUDIES? *WHY NOT STUDY:*

- B Arts
- B Criminology
- B Nursing
- B Midwifery
- B Psychology (Honours)
- B Psychological and Social Sciences
- B Social Science
- B Youth Work
- B Social Work
- B Humanitarian and Development Studies
- B Education (Early Childhood)
- B Education (Primary)
- B Education (Secondary)

YOU LOVE PHYSICS? *WHY NOT STUDY:*

- B Science
- B Education (Primary)
- B Education (Secondary)
- B Engineering
- B Architectural Design
- B Industrial Design (Honours)
- B Design and Technology

YOU LOVE CHEMISTRY? *WHY NOT STUDY:*

- B Science
- B Medical Science
- B Education (Primary)
- B Education (Secondary)

YOU LOVE HEALTH AND MOVEMENT SCIENCE? *WHY NOT STUDY:*

- B Health Science
- B Health, Physical Education and Sport
- B Exercise Physiology
- B Exercise Science
- B Sport and Performance Science
- B Occupational Therapy
- B Paramedicine
- B Physiotherapy
- B Podiatric Medicine
- B Speech Pathology
- B Traditional Chinese Medicine
- B Nursing
- B Midwifery
- B Education (Primary)

YOU LOVE MATHEMATICS? *WHY NOT STUDY:*

- B Computer Science
- B Data Science
- B Information and Communication Technology
- B Information Systems
- B Mathematics
- B Engineering
- B Education (Primary)
- B Education (Secondary)
- B Planning (Pathway to M Urban Management and Planning)
- B Accounting

YOU LOVE BIOLOGY? *WHY NOT STUDY:*

- B Health Science
- B Health, Physical Education and Sport
- B Occupational Therapy
- B Paramedicine
- B Physiotherapy
- B Podiatric Medicine
- B Speech Pathology
- B Sport and Performance Science
- B Traditional Chinese Medicine
- B Science
- B Medical Science
- B Nursing
- B Midwifery
- B Education (Primary)
- B Education (Secondary)
- B Clinical Science/Doctor of Medicine

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- Programs to help you settle into uni life as well as your studies
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Inspiration**ED**



BUSINESS STUDIES

Operations & Marketing

ROLE OF OPERATIONS

Strategic Role

Operations converts inputs into value-adding outputs and is one of two main ways a firm gains advantage:

Competitive lever	Focus	Example
Cost Leadership	Minimise unit cost; exploit scale, lean processes.	ALDI's limited-line range cuts handling costs.
Differentiation	Unique features, customisation, premium quality.	Apple's design + ecosystem justify higher price.

A robust operations strategy supports long-term profitability and growth by balancing cost, quality and flexibility.

INFLUENCES ON OPERATIONS

Influence	Core effect	Illustrative case
Globalisation	Access global supply, sell worldwide; pushes firms to world-class cost/quality.	McDonald's sources beef locally but coffee beans globally; 36 000 stores rely on integrated logistics.
Technology	Drives speed, accuracy, scalability.	Domino's GPS/Pizza-Tracker, robotic DRU unit.
Quality Expectations	Rising customer benchmarks force process upgrades.	McDonald's re-launched barista coffee after feedback on inconsistency.
Cost-based Competition	Low-price rivals pressure margins; firms automate or relocate.	Fast-fashion chains copy catwalk designs cheaply.
Government Policy & Legal	Standards for food safety (HACCP), WHS, zoning.	52 checks per McDonald's patty satisfy Food Standards Code.
Environmental Sustainability	Reduce waste, carbon; seek recyclable inputs.	Patagonia repairs gear, uses recycled polyester.
Corporate Social Responsibility	Ethical sourcing, community impact.	Starbucks C.A.F.E. Practices for coffee farmers.

SAQ 1 (4 marks)

Describe TWO ways globalisation has changed Australian manufacturing operations.

OPERATIONS PROCESSES

Inputs

Input type	Notes
Transformed resources	Materials, information, customers (in services). e.g. green coffee beans, order data, diners.
Transforming resources	Facilities (plants, tech) + Labour (skills, creativity).

Transformation

Core variables (4 V):

Variable	Low value	High value	Operations impact
Volume	One-off yacht	1 000 burgers/hr	High volume needs automation; low uses craft skills.
Variety	Single model	50 configurations	More variety ⇒ modular design, flexible machinery.
Variation in Demand	Steady staples	Ski jackets	Need capacity buffers & demand forecasting.
Visibility	Back-end data centre	Haircut	High visibility requires service culture & real-time quality.

Sequencing & Scheduling Tools

- Gantt chart – visual timeline; highlights overlaps and progress.
- Critical Path Analysis (CPA) – network of tasks; critical path = tasks with zero slack.

SAQ 2 (3 marks)

Explain ONE benefit and ONE drawback of CPA in project management.

ROLE OF OPERATIONS

Monitoring & Control

Key metrics: cycle time, defect rate, capacity utilisation, on-time delivery. Managers compare to benchmarks and adjust labour, inventory, maintenance.

Outputs

- **Finished goods / services**
- **Customer service** – speed, courtesy, resolution.
- **Warranties** – feedback loop; rising claims flag process failures.

Class task Track three warranty causes at a tech firm and suggest process fixes.

OPERATIONS STRATEGIES

All strategies aim to lift one or more performance objectives: quality, speed, dependability, flexibility, customisation, cost.

Design & Development

- Cross-functional teams (ops + R&D + marketing).
- CAD/CAM compresses prototype cycle.
- Design for manufacture cuts assembly steps.

Supply-Chain Management

Element	Decisions	Example
Sourcing	Domestic vs global, CSR standards, single vs multi-vendor.	Apple dual-sources chips (TSMC, Samsung).
E-commerce	Electronic Data Interchange automates orders.	Woolworths auto-reorders when shelf scanners flag low stock.
Logistics	Mode (sea/air), warehouse footprint, cross-docking.	Amazon's last-mile drones trial cut delivery to <30 min.

OPERATIONS STRATEGIES

Outsourcing

Pros: access expertise, variable cost, speed. Cons: loss of control, IP risk, quality issues. Partial outsourcing common (e.g. call-centres offshore; core design kept in-house).

Technology

Type	Established	Leading Edge
Process tech	CNC machines, ERP.	Cobots, 3-D printing metals.
Service tech	POS, CRM.	AI chatbots, VR fitting rooms.

SAQ 3 (4 marks)

Analyse how adopting leading-edge robotics can improve TWO operations objectives for an auto plant.

Inventory Management

System	Advantages	Risks
Just-in-Time	Cuts holding cost, less obsolescence.	Supplier delay can halt line.
Just-in-Case	Buffer protects service level.	High storage cost, spoilage.
FIFO / LIFO	FIFO suits perishables; LIFO may save tax (US GAAP).	LIFO banned under IFRS.

Modern firms blend JIT with safety stock analytics.

OPERATIONS STRATEGIES

Quality Management

Level	Focus	Tool
Quality Control	Detect defects (post-production).	Inspections, sampling.
Quality Assurance	Build-in systems, ISO 9001.	SOPs, HACCP, audits.
Continuous Improvement (Kaizen)	Ongoing incremental gains.	Six-Sigma DMAIC, PDCA.

Resistance to Change

Barriers: financial (new tech cost), cultural inertia, fear of job loss, skills gaps. Overcome via communication, participation, training, pilot trials, incentives.

Global Factors

- **Global Sourcing** – Toyota sources seat fabrics worldwide.
- **Economies of Scale** – Airbus A320 line ~40 jets/month lowers unit cost.
- **Scanning & Learning** – benchmark rivals' best practice.
- **R&D** – Samsung 3.6 % of revenue into semi-conductor innovation.

OPERATIONS PERFORMANCE

Indicators & Improvement Loops

Indicator	Formula / Measure	Ideal Trend
Lead Time	Order-to-delivery days	Down
Capacity Utilisation	Actual ÷ Design %, mfg	80-90 % steady
Defect Rate	PPM, or returns %	Down
Inventory Turnover	COGS ÷ Avg Inv	Up (but not stock-out)
Overall Equipment Effectiveness (OEE)	Availability × Performance × Quality	>85 % world-class

Regular KPI review triggers strategy tweaks: e.g. high defects → tighten QA; slow turnover → cut SKUs.

EXAM-STYLE PRACTICE

Extended Response (20 marks) “Evaluate how TWO operations strategies have enabled a large Australian retailer to achieve its performance objectives.”

Hints: pick e.g. inventory (JIT + Auto-replenish) and technology (self-checkout + data analytics); cite improvements in cost, speed, dependability.

Short Answer Set

1. Define **volume** in the 4 V's and outline its impact on cost leadership. (3)
2. Contrast **global sourcing** with domestic sourcing for clothing manufacture. (4)
3. Explain why FIFO is critical for a pharmaceutical wholesaler. (3)
4. Identify TWO financial costs of resistance to change when automating a warehouse. (2)

ROLE OF MARKETING

Strategic Role

Marketing creates **value** by discovering what customers need, then informing, persuading and reminding them of a firm's offer. Done well, it drives **profit maximisation, growth and brand equity**.

Marketing vs Selling Approach

Selling approach (old)	Marketing approach (modern)
Push existing stock, short-term focus.	Start with market research, create products that satisfy needs.
Product-centred, high pressure.	Customer-centred, relationship-driven.

Q1 (4 marks)

Why should a firm introducing new products adopt a marketing rather than a selling approach?

Marketing Objectives

Typical objectives:

- Increase sales revenue / market share
- Launch new products or enter new markets
- Build or refresh brand awareness
- Ensure legal and ethical compliance

Q2 (4 marks)

Why are clearly defined marketing objectives critical to a successful plan?

INFLUENCES ON MARKETING

Legal & Ethical

Australian Consumer Law (ACL): bans misleading or deceptive conduct.

- Trivago fined \$44.7 m in 2022 for false “best deal” claims.
- Qantas fined \$100 m (2024) for selling tickets on cancelled flights.

Advertising to children: McDonald’s breached industry rules by attaching Happy-Meal vouchers to junior-sport awards; deemed targeting kids.

Q3

Name one Australian firm penalised for false advertising and state the breach.

Marketing Objectives

Economic

- Purchasing power fluctuates with cycles and stimulus.
 - NSW “**Dine & Discover**” vouchers (2021) let residents redeem \$25 food credits, lifting McDonald’s foot traffic and app usage.

Sociocultural

- Health consciousness drives demand for low-sugar cereals, plant-based meals, etc.
- Diversity and ageing populations reshape segmentation.

Psychological

- Perceptions shaped by brand image, past experience, lifestyle aspiration.
- Promotions (discounts, limited editions) trigger impulse buys.

Technological / Digital

- E-commerce, apps, AI recommendations enable personalised offers and data-driven targeting.
- McDonald’s MyMacca’s app personalises deals, speeding ordering and upselling.

Competitive

- Global brands and online entrants intensify price and innovation pressure; encourages differentiation or niche focus

MARKETING PROCESSES

Marketing is a cycle: **Situational analysis** → **Market research** → **Objectives** → **Target market** → **Strategies** → **Implementation** → **Monitoring/Control**.

Situational Analysis (SWOT & PLC)

- **SWOT** uncovers internal strengths/weaknesses and external opportunities/threats, guiding objective setting.
- **Product Life Cycle** (introduction, growth, maturity, decline) signals when to boost promotion, adjust price or refresh packaging.

Q4 Clarify the purpose of a SWOT for an Australian guitar maker entering the US with a standardised strategy.

Market Research

Primary data	Secondary data
Collected first-hand (surveys, focus groups, observations, experiments).	Existing sources (ABS stats, industry reports, internal sales).

Roles: define problems, shape product features, forecast sales, test promotions, underpin monitoring.

Q5 What is the ongoing purpose of market research?

Marketing Objectives (SMART)

Objectives must be Specific, Measurable, Achievable, Relevant, Timed.

Example: "Lift online sales 15 % within 12 months by targeting 18-25 y.o. gamers."

Target Market Selection

Why target?

- Focus resources, craft precise positioning, gather relevant data.

Approaches:

1. **Mass** (undifferentiated) – one product for all.
2. **Segmented** – multiple segments, tailored mixes.
3. **Niche** – concentrate on one narrowly defined group.

Q6 Define these three targeting approaches.

Case A cereal maker wants to halt falling sales by redesigning packs and courting health-conscious buyers.

Q7 How could a niche approach boost sales?

Implementation, Monitoring & Control

- **Implementation** – schedule actions, allocate budget, brief staff/agencies.
- **Monitoring** – gather KPIs (sales, web traffic, share, ROI).
- **Control** – compare actual vs plan; tweak product, price, place, promo.

Q8 (3 marks) Why is monitoring & controlling vital for the manufacturing business that found skills gaps and shrinking domestic demand?

MARKETING STRATEGIES

Segmentation → Targeting → Positioning (STP)

Break market, choose segment(s), craft image.

Market Segmentation variables

Variable	Example
Demographic	Age, income (Coke Zero vs Classic)
Geographic	Urban vs rural
Psychographic	Lifestyle (outdoor adventurers)
Behavioural	Usage rate, loyalty (frequent flier tiers)

Coca-Cola uses multiple variables to market Diet, Zero, Fanta, Powerade, etc.

The Marketing Mix (7 P)

P	Key decision
Product	Features, branding, packaging, warranties.
Price	Cost-based, competition, or skimming/penetration.
Place	Channel choice—intensive (grocery), selective (electronics), exclusive (luxury).
Promotion	Ads, PR, sales promo, personal selling, sponsorship, digital.
People	Staff skills, service culture, training.
Process	Ease of purchase, delivery speed, returns handling.
Physical Evidence	Store ambience, website UX, logos, uniforms.

Example luxury car mix

- Product: prestige engineering, 7-yr warranty.
- Price: skimming to reinforce quality image.
- Place: exclusive dealerships.
- Promotion: F1 sponsorship, influencer drives.
- People: concierge-style sales staff.
- Process: online reservation → VIP handover.
- Physical: minimalist showroom, signature scent.

MARKETING STRATEGIES

Promotion Mix Depth

Need a blend to reach, persuade, remind. Tools interact:

Tool	Strength	Limitation
Advertising	Wide reach, builds brand.	Costly, cluttered.
Sales promo	Quick boost.	Short-lived, margin hit.
PR/event	Credible, image shaping.	Less control.
Personal selling	Customised, closes deals.	Labour-intensive.
Digital	Targeted, measurable.	Ad blockers, privacy.

Extended Response (8-12 marks)

Assess the importance of using a mix of promotional strategies when marketing goods and services. Include at least two examples.

MARKETING STRATEGIES

E-Marketing & Social

- SEO, SEM, email, social media, mobile apps enable micro-targeting and real-time analytics.
- Influencer partnerships humanise the brand; retargeting ads re-engage abandoners.

Global Marketing Decisions

- **Standardisation** vs **customisation** of product, brand and mix.
- **Global branding** (Nike swoosh, McDonald's arches).
- **Pricing** – transfer, market, or HQ price floors.
- **Distribution** – global e-commerce, local partners.

MEASURING MARKETING EFFECTIVENESS

Metric	What it shows
Sales analysis	Trends vs objectives.
Market-share	Performance against competitors.
Marketing profitability	Contribution margin – marketing cost.
Customer satisfaction / NPS	Loyalty and advocacy.
Digital KPIs	CPC, conversion, bounce, CLV.

Regular review ensures strategies stay aligned with objectives and influences.

PRACTICE TASKS

(SHORT ANSWER)

1. Identify two sociocultural trends currently altering Australian food marketing.
2. Distinguish primary from secondary data and give one pro of each.
3. Outline one ethical challenge of targeting children and propose a mitigation.
4. Describe how price skimming supports a premium positioning strategy.
5. Evaluate the impact of e-commerce logistics on place strategy for a fashion start-up.

InspirationED



BUSINESS STUDIES

Finance & Human Resources

ROLE OF FINANCIAL MANAGEMENT

Strategic Role

Finance's mission is to plan, monitor and control money flows so the business can:

Financial Objective	Meaning
Liquidity	Pay short-term debts when due.
Solvency (Gearing)	Survive long-term; assets $\geq$ liabilities.
Profitability	Earn returns above expenses.
Efficiency	Use assets / liabilities productively.
Growth	Expand capacity, sales, value.

INFLUENCES ON FINANCIAL MANAGEMENT

Internal vs External Funding

Source	Examples	Pros	Cons
Internal	Retained profits, sale of non-core assets.	No interest, keeps control.	Limited amount.
External – Debt	Bank overdraft, commercial bills (ST); term loans, mortgage, debentures (LT).	Tax-deductible interest, gear up quickly.	Interest + repayment risk; raises gearing.
External – Equity	Ordinary shares, private equity, new partner capital.	No repayment, lower gearing.	Dilutes control; dividends not deductible.

Matching Principle

Use short-term debt for working-capital assets; long-term debt/equity for fixed assets.

INFLUENCES ON FINANCIAL MANAGEMENT

Financial Institutions

Institution	Role
Banks	Main provider of loans, overdrafts.
Investment banks	Arrange large debt/equity issues.
Finance companies	Higher-interest loans, leasing.
Superannuation funds	Offer long-term investment capital.
ASX	Platform to raise equity (IPOs, rights).

Government

- ASIC – enforces Corp Act disclosure & continuous reporting.
- ATO – collects taxes; rules affect cash flow.
- Monetary policy – RBA rate moves change borrowing cost.

Global Market

- Availability of funds – foreign capital inflows lower cost.
- Interest rate differentials – firms may tap cheaper offshore loans.
- Exchange rate risk – affects debt service & export income.

SAQ 1 (4 marks)

Explain how a rise in global interest rates and a fall in AUD could jointly impact an exporter's liquidity and solvency.

FINANCIAL PROCESSES

Financial Institutions

Memory hook = P.I.M.A

Planning & Implementing Internal Controls & risk Monitoring & Controlling Analysis & Interpretation

Planning & Implementing

Tool	Purpose
Financial Needs	Forecast asset & funding gap.
Budgets	Detail inflows/outflows for each department; compare to actual.
Record Systems	Secure, accurate data (double-entry, cloud ERP).
Financial Risk	Identify exposure (interest, currency, default).
Financial Controls	Authorisations, separation of duties, audits.

Financial Statements

Statement	Snapshot
Cash-flow Statement	Operating, investing, financing inflows/outflows; shows true liquidity.
Income Statement (P&L)	Revenue – expenses = gross, net profit.
Balance Sheet	Assets = Liabilities + Equity; reveals gearing & working capital.

FINANCIAL PROCESSES

Monitoring & Controlling

Management track KPIs monthly: variance reports, bank covenants, debt-servicing cover.

Financial Ratio Analysis

Technique: SICJ

State ratio value, Interpret meaning, Compare to prior/industry, Judge health.

Objective	Ratio	Formula	Benchmark
Liquidity	Current	$CA \div CL$	>1.5 : 1
Solvency	Debt-to-equity	Total debt $\div$ equity	<70 % (varies)
Profitability	GP margin	$GP \div Sales$	Upwards trend
	NP margin	$NP \div Sales$	Upwards trend
Efficiency	Expense ratio	Expenses $\div$ Sales	Down
	AR turnover	$365 \div \text{Debtor days}$	<45 d

SAQ 2 (5 marks) Given a current ratio of 1.1 : 1 falling from 1.8 : 1 while industry is 1.5 : 1, apply SICJ.

Limitations of Financial Reports

- Historical cost; asset valuation subjectivity.
- Timing (end-period snapshot).
- Debt concealment via off-balance-sheet.
- Capitalising expenses to inflate profit.
- Notes complexity.

FINANCIAL MANAGEMENT STRATEGIES

Cash-Flow Management

Technique	Effect
Distribution of payments	Pay suppliers on staggered dates.
Discounts for early payment	Accelerate debtors.
Factoring (with or without recourse)	Sell receivables for immediate cash; lowers liquidity risk.

Cash-flow budgeting

Forecast deficits; arrange overdraft/credit lines.

Working Capital (WC) Management

Area	Tool
Control of CA	Inventory JIT/JIC mix; chase debtors; idle cash to interest account.
Control of CL	Negotiate supplier terms; use ST loans for seasonality.
WC Strategies	Sale & leaseback of assets; overdraft.

Mini-task XYZ Retail's stock days 140 vs target 90. Propose TWO WC actions.

FINANCIAL MANAGEMENT STRATEGIES

Profitability Management

Lever	Example Measures
Cost Controls	Outsource non-core, switch to cloud SaaS, renegotiate supplier bulk discounts.
Revenue Controls	Dynamic pricing, CRM upsell, product mix shift to higher margin items.

Global Financial Management

Issue	Strategy
Exchange risk	Hedging via forward exchange contracts; options.
Interest-rate risk	Interest-rate swaps (fixed vs floating).
Methods of payment	Adv. payment, letter of credit, D/P, open account.
Working capital	Overseas subsidiaries maintain local funding to match currency.

SAQ 3 (4 marks)

Outline one hedging tool and show how it secures profitability for an exporter invoicing in USD.

APPLYING THE STRATEGIES — SCENARIOS

Scenario A ABC Manufacturing's cash-flow crisis

- Delayed customer payments, high overheads.
- Needs \$300 k in 6 weeks.

Short Report (approx. 300 words) Recommend TWO cash-flow strategies; justify with benefits and one possible drawback each.

Scenario B MK Pty Ltd (Low-gearred yoghurt chain) acquires rival

- Growth objective; takeover cost \$5 m.
- Discuss a matching **source of finance** and outline gearing impact.

Scenario C Global Rate Hike

- Business holds US\$ debt; AUD falls 7 %.

Task: Evaluate two global financial strategies to manage combined FX + rate risk.

FINANCE INDICATORS OF SUCCESS

Beyond ratios, boards watch:

- **Share-price trend / market cap**
- **Dividend payout vs retention**
- **Credit rating** (Moody's, S&P)
- **Economic value added (EVA)** – net operating profit after tax minus cost of capital
- **Total shareholder return** (dividends + price gain)

PRACTICE EXAM QUESTIONS

1. (20 marks) “Evaluate how a business has applied at least TWO financial strategies to achieve long-term solvency and profitability.” Draw on a case such as Wesfarmers or CSL.
2. Define **capitalising an expense** and state its impact on profitability ratios. (3)
3. Explain ONE advantage and ONE risk of sourcing long-term finance via a bond issue instead of ordinary shares. (4)
4. Analyse how inventory blowouts affect **two** financial objectives. (5)

ROLE OF HUMAN RESOURCE MANAGEMENT (HRM)

HRM manages the employer-employee relationship so the business can achieve:

HR Objective	Meaning	Why it matters
Productivity	Output per employee	Drives profit, efficiency
Compliance	Meet labour law & awards	Avoid fines, brand damage
Cost Control	Manage wage + benefit bill	Support cost leadership
Ethical Responsibility	Fair, safe, inclusive work	CSR, talent magnet

Strategically, HRM aligns people policies with overall business goals (growth, innovation, cost leadership).

INFLUENCES ON HRM

Category	Key Points	Quick Case Echo
Stakeholders	Employees, unions, employer associations, government, society.	Fair Work Commission sets minimum wages; unions negotiate enterprise agreements.
Legal	National Employment Standards (NES), modern awards, enterprise agreements, WHS, anti-discrimination.	Uber's worker-status rulings impact gig HR costs.
Economic	Boom → skill shortages, wage pressure. Downturn → surplus labour, redundancies.	COVID shutdowns forced airlines into stand-downs.
Technological	Automation reshapes skill needs; remote work tech changes work patterns.	Atlassian's "Team Anywhere" remote policy.
Social (Workforce)	Ageing labour, more part-time/casual, diversity expectations, work-life balance.	50 % of Woolworths staff are part-time to match demand peaks.
Ethical & CSR	Living wage campaigns, gender equity, sustainable HR practices.	Patagonia provides on-site childcare, boosting retention.

SAQ 1 (5 marks)

Explain how WHS law and remote-work tech jointly influence HR processes for a software firm.

HR PROCESSES

(ACQUISITION → DEVELOPMENT → MAINTENANCE → SEPARATION)

Acquisition

1. **Workforce planning** – forecast numbers & skills.
2. **Recruitment** – internal promotions vs external job ads, LinkedIn, agencies.
3. **Selection** – interviews, psych testing, reference checks.

Training & Development

Type	Description	Benefit
Induction	On-boarding rules, culture, systems.	Faster productivity, lower turnover.
On-the-job	Coaching, mentoring, job rotation.	Real tasks, cheap.
Off-the-job	Courses, conferences, e-learning.	New ideas, networks.
Development	Leadership programs, career planning.	Succession readiness.

Maintenance

- **Monetary rewards** – salary, bonuses, super.
- **Non-monetary** – recognition, flexible hours, wellness.
- **Employee participation** – consultative committees, surveys.
- **Safe & healthy workplace** – WHS systems, mental-health support.

HR PROCESSES

(ACQUISITION → DEVELOPMENT → MAINTENANCE → SEPARATION)

Separation

Form	Trigger	HR duty
Retirement/Resignation	Voluntary	Exit interview, knowledge transfer.
Redundancy	Job becomes excess	Consultation, notice, redundancy pay.
Dismissal (performance)	Poor work despite warnings	Counselling, procedural fairness.
Dismissal (misconduct)	Theft, violence	Immediate but follow due process to avoid unfair-dismissal claims.

Class activity Draft a checklist HR should follow to ensure a redundancy is lawful and ethical.

HR STRATEGIES

All strategies aim to improve six HR performance indicators: turnover, absenteeism, satisfaction, productivity, dispute level, accidents.

Leadership Style

Style	Use When	Impact
Autocratic	Crisis, low-skill tasks	Speed; lowers morale long-term
Democratic	Skilled staff, creative work	Engagement, innovation
Laissez-faire	Expert teams	High autonomy; risk drift

Match style to workforce maturity and objectives.

HR STRATEGIES

Job Design & Organisational Development

- **Job enlargement** – widen tasks → reduce boredom.
- **Job enrichment** – add decision authority → build skills.
- **Multi-skilling** – flexibility for JIT staffing.

Recruitment — General vs Specific Skills

- **General (soft) skills** – communication, teamwork.
- **Specific (hard) skills** – coding in Python, forklift licence. Balanced approach avoids overpaying specialists while nurturing internal talent.

Training Options

Combine **on-the-job** micro-learning with **off-the-job** certificates; track via LMS.

Performance Management

Purpose	Tools
Developmental	360° feedback, coaching plans.
Administrative	Annual appraisal linked to pay/ promotion / discipline.

Good systems connect KPIs to business goals and flag training needs.

HR STRATEGIES

Rewards Management

Reward type	Example	Caution
Individual monetary	Commission, piece rate.	May reduce teamwork.
Group / team bonus	Profit-share, gain-share.	Free-rider risk.
Non-monetary	Extra leave, remote work, wellness funds.	Harder to value.
Performance pay	Percentage of salary at-risk vs KPIs.	Danger of short-termism / unethical sales.

Global HR

- **Ethnocentric vs polycentric staffing** – choose expats or locals.
- **Offshore outsourcing** – call-centres in Manila; must manage culture & time-zone issues.
- **Repatriation** – support returning expats to avoid turnover.

Workplace Disputes — Resolution

Level	Method
Informal	Discussion, mediation.
Formal	Grievance procedure, conciliation via Fair Work, arbitration decision (binding).

SAQ 2 (4 marks)

Outline TWO benefits of enterprise bargaining for both employer and employees.

EVALUATING HR EFFECTIVENESS (KPIs)

Indicator	How measured	Target Trend
Corporate Culture	Pulse surveys, Glassdoor rating.	High engagement
Staff Turnover	% leaving per year.	Down (except retirements)
Absenteeism	Sick days/FTE.	Decline, <8 days
Accidents	LTIFR (lost-time injury freq.).	Towards zero
Disputes	Days lost / claims lodged.	Minimal
Training ROI	Productivity gain ÷ training cost.	Positive

Regular dashboard reviews tie to financial and customer outcomes.

INTEGRATED CASE STUDY TASKS

Case 1 Retail Chain Rapid Expansion

Issue: hiring 1 000 staff in 12 months; turnover at new stores 35 % vs company avg 15 %.

Task: (300 words) Recommend TWO HR strategies (one recruitment, one rewards) to cut turnover below 20 %. Justify benefits and risks.

Case 2 Tech Start-up Scaling Globally

Issue: needs AI engineers; local talent scarce; burn-rate rising.

Task: Evaluate specific-skills recruitment versus outsourcing to Eastern Europe, considering cost, IP, culture.

Case 3 Manufacturing Plant Safety Spike

Issue: accident rate doubled after shift extension.

Task: Explain how job-design and performance management could lower accidents and raise morale.

PRACTICE EXAM QUESTIONS

- 1.(20 marks) “Evaluate the effectiveness of THREE HR strategies in achieving low absenteeism and high worker satisfaction in a multinational business you have studied.”
- 2.Explain **multi-skilling** and identify TWO benefits for businesses using a cost-leadership strategy. (4)
- 3.Outline the steps HR should take to ensure a dismissal for poor performance is not harsh, unjust or unreasonable. (5)
- 4.Assess the role of **rewards management** in motivating a hybrid (remote + onsite) workforce. (6)



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