Short written response — Business environments

This sample is intended to inform the design of assessment instruments in the senior phase of learning. It highlights the qualities of student work and the match to the syllabus standards.

Criterion assessed

- Knowledge and understanding

Assessment instrument

The response presented in this sample is in response to assessment items.

Conditions

1. All questions should be answered in full sentences.
2. 50–150 word answers are required for each question.

Part A — Organisations and their structures

1. Corporate Airports Incorporated Pty Ltd (CAI)\(^1\) is responsible for the operation and development of the XXXX Airport.
   a. **Identify** and **discuss** the business sector in which CAI is classified.
   b. **Identify** and **discuss** the type of business it represents.
2. CAI has close working relationships with government organisations. In their day-to-day operations they deal with:
   - Australian Bureau of Statistics
   - Australian Federal Police
   - Brisbane City Council
   - Civil Aviation Safety Authority
   - Energex
   - Federal Department of Transport and Infrastructure
   - Queensland Rail
   - State Department of Infrastructure, Transport, Regional Development and Local Government.

Using any of the above organisations as examples, **identify** and **discuss** the various types of government organisations.

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\(^1\) Note: This assessment has been de-identified for publishing purposes.
3. CAI has recently undergone a restructure. Before the restructure, employees worked in twelve teams according to their various functions (e.g., Finance, Legal, Risk Management and Compliance, Business Development, Transport Services, Operations, Human Resources, Airport Infrastructure, Corporate Relations, and Community Engagement).

Each team had a manager, who reported to the Chief Executive Officer, .......... 

Since the restructure, teams have been consolidated into four departments (Operations, Commerce, Corporate, and Innovation). Each department has its own manager and varying numbers of middle managers. Teams now report to the middle managers.

a. Identify both organisational structures.
b. Prepare an organisational chart representative of CAI’s current structure.
c. Discuss why CAI may have made the decision to move to the new model and what affect this may have had on CAI employees.

4. From an interview with a CAI employee:

“CAI mostly has an open work environment. It is really good, but it can cause a few problems. Also, I am often working with someone who is on their laptop in some airport on the other side of the world.”

a. Explain the problems that this employee could be referring to in regard to their open work environment.
b. Discuss what can be done to overcome these problems?
c. From the above statement, identify what other type of work environment is used by the employees of CAI?
d. Outline the advantages this would have for CAI or their employees.

5. From the CAI website:

“By any measure we are a small team, with a work force of just over 200, yet we are one of Queensland’s largest companies with an estimated enterprise value of over $4 billion.”

However, on another section of the website it states:

“Already there are 320 businesses and nearly 16,000 people working at XXXX Airport every day.”

If CAI is responsible for the operations of XXXX Airport, there is an obvious discrepancy in the work force numbers in these two statements.

a. Define and describe the business procedure being used by CAI.
b. Explain how this is advantageous to the organisation?

Part B — Quality practices

6. As a new member of the Corporate Relations team at CAI, you have been reading the Organisational Policy and Procedures Manual (OPPM) and you notice that, although they have a Client Relations Policy, there is no reference to valuing or retaining customers. When you bring this to the attention of your supervisor, she asks you to develop an appropriate section for the OPPM.

Prepare an OPPM extract to rectify this situation.

7. Discuss three ways in which CAI is practicing corporate social responsibility.

8. CAI’s security statement reads as follows:

“CAI is committed to protecting the privacy and confidentiality of visitors and the information they provide. Personal information provided to CAI will be used only for the purpose for which you have provided it. Unless required by law, CAI will not disclose this information without your consent.”

Incidents relating to privacy have been reported to CAI. As an administrative assistant at CAI, you have been asked to prepare a memo to be sent to all organisations at XXXX Airport. This is to remind them of their obligations concerning privacy. In the memo, identify areas of privacy that they should address with their staff.
Instrument-specific criteria and standards

Student responses have been matched to instrument-specific criteria and standards; those which best describe the student work in this sample are shown below. For more information about the syllabus dimensions and standards descriptors, see [www.qsa.qld.edu.au/5699.html](http://www.qsa.qld.edu.au/5699.html).

<table>
<thead>
<tr>
<th>Knowledge and understanding</th>
<th>Standard A</th>
<th>Standard C</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The student work has the following characteristics:</td>
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<tr>
<td></td>
<td>• recall and description of a <strong>comprehensive range</strong> of factual information relating to business environments</td>
<td>• recall and description of a <strong>range</strong> of factual information relating to business environments</td>
</tr>
<tr>
<td></td>
<td>• <strong>effective</strong> and <strong>consistent</strong> application and explanation of business concepts, principles and processes.</td>
<td>• application and explanation of <strong>basic</strong> business concepts, principles and processes.</td>
</tr>
</tbody>
</table>

Note: Colour highlights have been used in the table to emphasise the qualities that discriminate between the standards.
Student response — Standard A

The annotations show the match to the instrument-specific standards.

<table>
<thead>
<tr>
<th>Comments</th>
<th>Part A — Organisations and their structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recall and description of factual information</td>
<td>1. a. CAI is classified in the private sector. Being in the private sector, CAI aims to earn their own profit; the running of the business is for the shareholder’s benefit. b. CAI is a private company, suggesting that there are limited shareholders in the business. Being a company, they have limited liability which suggests that the shareholders’ personal assets are protected in the event of bankruptcy and debt. As a company, CAI is required to apply for GST if the annual turnover is more than $75,000 and are responsible for the superannuation for themselves and for their employees.</td>
</tr>
<tr>
<td>Effective and consistent application of business concepts</td>
<td>2. Government organisations are classified in the public sector and generally do not aim to make a profit. There are three kinds of government organisations: the public sector agencies, statutory authorities and government-owned corporations (GOCs). Public-sector agencies deal with cabinet ministers and this type of organisation can be further broken down into local, state and federal authorities which are responsible for their respective areas. An example of a public-sector agency is the Brisbane City Council. Statutory authorities on the other hand, are organisations that are established as a result of an act of Parliament. An example of a statutory authority is the Civil Aviation Safety Authority (CASA). Lastly GOCs differ to the previous two in that they aim to make a profit. Energex is an example of this kind of government organisation.</td>
</tr>
<tr>
<td>Effective and consistent application of business concepts</td>
<td>3. a. Prior to reconstruction, CAI’s organisational structure was a flat structure because there had been no middle managers and staff worked in teams specialising in different areas. Post restructure, CAI can now be classified as a tall structure because the teams have been consolidated into four large, less focussed groups and the positions of middle managers now exist, resulting in an organisational structure where there are more people at the top and holding more power and control. b.</td>
</tr>
</tbody>
</table>

![Organisational structure diagram](image-url)
c. CAI may have chosen to restructure from a flat to a tall structure because a tall structure is generally more suited to large corporations. This is so because there are more managers who are accountable for the employees under them. Although this form of structure is more costly, it may be more efficient in the terms of monitoring the staff and provides a clear line of communication. The employees at CAI therefore have a clearer career path ahead of them and this allows them the opportunity to get promoted and ascend the corporate ladder. In this manner, they are more motivated and goal-oriented, thus increasing CAI's productivity and efficiency.

4. a. Some problems associated with an open work environment are higher noise levels and an increased level of distractions. Due to the lack of barriers between the employees, noise caused by telephone calls, discussions amongst colleagues and typical movement and shifting of stationery can detrimentally affect the employee’s productivity. Work colleagues are also more tempted to take a momentary break from work to chat with their neighbours because of the open environment, which is a cause of distraction. Similarly, this affects the efficiency of the employee.

b. In order to minimise such effects, CAI can implement policies regarding proper work etiquette. Such would include receiving personal phone calls only outside the building, requiring employees to pick up their phones as soon as possible to avoid constant ringing and telling them to utilise a common area should they require discussing any matter.

c. The CAI employee is also working in a virtual work environment. This is because the virtual work environment, where employees are working wirelessly instead of physically, is the only work environment that enables an employee to work "on the other side of the world".

d. As mentioned, working virtually can allow for CAI to employ people of the preferred skills regardless of their location. In addition, a virtual work environment means that employees can work anywhere, which is convenient for them. For CAI, a virtual work environment would benefit the company because working virtually increases work productivity as their employees do not have to spend money and time travelling.

5. a. Outsourcing is the procedure used here. While only 200 people make up the workforce of CAI, the rest may work for different businesses that work for CAI, hence the discrepancy.

b. Some of the advantages include allowing CAI to focus more on their part of the business, having specialisation in the various parts, because where CAI may not have staff with such wide and competent skills in multiple areas, outsourcing a business that focuses on that aspect will result in better quality services for CAI’s customers. Another advantage includes saving costs from employing staff that will not be performing their specialised job frequently.
Part B — Quality practices

6. Policies | Procedures
--- | ---
Client Relations Policy | Maintaining customer loyalty | Implement a customer loyalty program which rewards the customer for using CAI’s services.
 |  | Inform regular customers about promotions and specials.
Keeping client confidentiality | Develop a customer privacy policy | Inform customers of CAI’s privacy policy
Provide clients with a personal touch | In the event that the customer provided their name, employees are to address them as so | Contact clients frequently, informing them of promotions and the services CAI can offer them.

7. CAI achieves corporate social responsibility by having their employees participate in community services; by being environmentally aware and ensuring that their activities are not environmentally costly, and lastly through media releases where they can inform their shareholders of their progress and aims.

8. Memo

To: Organisations
From: Administrative Assistant
CC:
Date: 25-May-11
Re: Privacy Policy

All organisations within are reminded to maintain the privacy policy. All staff are to maintain any private or confidential information regarding the clients’ personal information are to be safe kept so as to retain the integrity of the business and customer loyalty. All employees are reminded against using copyright materials.

Note: A comprehensive range of factual information has been recalled and described across the student response.
Student response — Standard C

The annotations show the match to the instrument-specific standards.

<table>
<thead>
<tr>
<th>Recall of factual information</th>
<th>Application of basic business concepts and processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A — Organisations and their structures</td>
<td></td>
</tr>
</tbody>
</table>

1. a. CAI Pty Ltd, is a privately owned business as it specifies Pty in the business name. “Pty” symbolises proprietary, which means the business can be identified as private. Therefore CAI by displaying Pty in their business name, lets the public know that the business is privately owned.
   
b. The type of business CAI represents is a company. As CAI is a small business that outsources to other bigger businesses; funding is essential and therefore shareholders would be incorporated into CAI. As the public can buy into the CAI business it no longer can be run by a sole trader or a partnership as there is not just one or two people in charge of the direction of the business.

2. There are two various types of government organisations, public agencies that are funded by taxes such as the Australian Federal Police and then there are enterprises that are funded by shares such as Energex. Although public enterprises have shareholders the company itself has not entered the private sector although the company has been privatised.

3. a. CAI's first organisational structure was a flat structure while the current structure is a tall organisational structure.
   
b. 

   ![Organisational Chart]

   c. CAI might have made this move to an organisational chart as it might cost less as they are eliminating section managers. There are many possible reasons to making a move to an organisational chart as it might be more work effective and boost productivity. Communication between workers and managers is more direct and offers quicker response time. This organisational chart might have positive and negative effects on workers. Some workers might feel as they are more part of the team as they can communicate with managers more which would boost work production. Other workers might not like it as they were a section manager and now they are a middle manager, meaning a decrease in salary.
<table>
<thead>
<tr>
<th>Explanation of basic business concepts and processes</th>
<th>Recall and description of factual information</th>
<th>Application of basic business principles</th>
<th>Note: A range of factual information has been recalled and described across the student response.</th>
</tr>
</thead>
</table>
| 4. a. This employee might be facing problems with the open work environment as there is no privacy in a cubicle; it can get noisy as others talk to each other or on phones. He personally might be distracted as it is an open work environment or he may have others hovering around his desk constantly wanting to talk.  

b. These problems can be overcome by changing the work environment from open to traditional. Traditional work environments focus on privacy and the workplace would become a much quieter place. If the traditional work environment is not possible, then workers might have a meeting discussing the issues and might even have a training program on how to work in an open environment.  
c. The other work environment that can be identified is virtual, as the CAI employee is still at his office but his work partner is on the other side of the world. However it can be home as well as the other person is on the other side of the world, different times therefore he might have to take his work home and work from there.  
d. This would advantage CAI employees as they could work from home. This would mean that normal working hours 9–5 would change, which would be more flexible. This would benefit the employee as they are working the hours that benefit them and overseas workers. |
| 5. a. The business procedure used at CAI is outsourcing. This is why there is such a discrepancy in the work force numbers.  
b. This can be advantageous for the business as the 200 workers that work for CAI can focus on their specific job they were employed to do and not be distracted by the other jobs that need to be completed. This would also benefit CAI to outsource as money can be saved by outsourcing as other companies can offer cheaper rates and having an employee that is highly paid to do a basic job is a waste of money for the business. That is why it is better to outsource in such a big business as CAI as other businesses can provide better services at cheaper prices. |
| Part B — Quality practices | 6. Valuing customer and retaining customers — Most customers will return to your services if there are good customer relations and the customer is made to feel welcomed and valued. Most customers return to your service even if your prices are higher than competition, only due to the customer relations built. |
| 7. CAI are practicing corporate social responsibility by involving their surrounding community. CAI is very aware that they are surrounded with communities that house people. CAI work together with these communities to make a better and friendly community. CAI also help with community events and fund raising. |
| 8. Friendly reminder that all personal information is to be kept confidential under the privacy law in the CAI code of conduct. Private information of visitors is only to be disclosed if required by law, and not without visitor consent. Serious penalties apply for those who do not abide by the privacy code of conduct. For further information refer to CAI code of conduct. |
Acknowledgments

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