The purpose of the Business Management Update is to provide teachers and their students with some of the latest ideas and examples from the business world. In this 2nd edition, these have been applied to the relevant key knowledge points from Area of Study 2 & 3 of the VCE Unit 3 Business Management Study Design.

Managing employees

The relationship between managing employees and business objectives

The human resources area is responsible for ensuring positive work and employment relationships, assisting employee motivation and productivity, and ultimately supporting the attainment of these objectives. Motivated, skilled and knowledgeable employees are much more likely to work productively to achieve objectives. A number of businesses who have been in the news over 2018 and 2019 appear in this update, including Chemist Warehouse, Telstra, Noni B, Woolworths, Westpac, McDonald's and Coca-Cola. These businesses all have the objective of making a profit. Other objectives, such as increasing market share, improving productivity, fulfilling a market and/or social need, or meeting shareholder expectations, are likely to relate to this main aim. As we explore the case studies and related strategies for the management of employees, keep in mind that these strategies all contribute to the attainment of business objectives.

Key principles of the following theories of motivation: Hierarchy of Needs (Maslow), Goal Setting Theory (Locke and Latham) and the Four Drive Theory (Lawrence and Nohria)

Motivation strategies, their advantages and disadvantages, and their effect on short- and long-term employee motivation

Many recent workplace events can be applied to Maslow’s and Lawrence and Nohria’s theories of motivation. The two theories have a number of similarities. These include:

- Lawrence and Nohria’s drive to acquire is similar to Maslow’s physiological needs
- Lawrence and Nohria’s drive to bond aligns closely with Maslow’s social needs
- Lawrence and Nohria’s drive to learn is similar to Maslow’s self-actualisation
- Lawrence and Nohria’s drive to defend is similar to Maslow’s safety needs

Lawrence and Nohria’s drive to acquire is similar to Maslow’s physiological needs. Both the drive to acquire and physiological needs can be satisfied by the provision of remuneration, a satisfactory level of pay, and performance related pay. A number of businesses recently, including some referred to in this update, have experienced disputes over pay. For example, employees at Chemist Warehouse and Telstra have been on strike through March and April over pay rises (as well as other workplace conditions).

Lawrence and Nohria’s drive to bond aligns closely with Maslow’s social needs. Both the drive to bond and social needs can be satisfied by the employer providing opportunities for teamwork, through supportive management, and through a sense of belonging on the part of the employee. As an example, Chemist Warehouse claims that it provides a fun and supportive team environment.

Satisfying Lawrence and Nohria’s drive to learn can be compared with having Maslow’s self-actualisation needs satisfied. Both the drive to learn and self-actualisation needs can be satisfied by the employer providing interesting and challenging tasks that allow employees to experience a sense of accomplishment and fulfilment. The provision of training can be used to increase skills and therefore work satisfaction. Chemist Warehouse provides ongoing training and career development for its staff. Some specific examples of the training offered at Chemist Warehouse will be explored later in this update.

Satisfying Lawrence and Nohria’s drive to defend is similar to Maslow’s safety needs. Both the drive to defend and safety needs can be satisfied by the employer providing safe working conditions and a degree of job security.

Australian workplaces are not always as safe as they should be. According to Maslow’s and Lawrence and Nohria’s theories, this would have a detrimental effect on employee motivation. In a recent case of poor workplace safety, Christopher Cassaniti, 18, was killed in early April 2019 following the collapse of a nine-storey scaffolding tower at a building site in Macquarie Park, Sydney. Another worker was critically injured in the accident. The worksite construction company, Ganellen,
and scaffolding company, Synergy Scaffolding Services, are now under investigation. A series of leaked emails have revealed that builders at the site were warned that safety concerns were “starting to get ridiculous” in the months before the incident.

There are many other examples of safety not being observed in the workplace. For example, in February 2019, a Perth scaffolding company, Perth Aluminium Scaffolds Pty Ltd, was fined $90,000 (and ordered to pay $2100 in costs) for failing to provide and maintain a safe work environment. An employee who was involved in dismantling scaffolding that had been erected for external painting work at HBF Stadium in 2016, stepped on a skylight and fell through a void area to the concrete concourse below. The stadium operator, VenuesWest, was also fined $90,000 and was also ordered to pay $2100 in costs.

A recent example of a business not providing acceptable working conditions or job security is Noni B. Employees in the retail group’s NSW, Victoria and Queensland stores have complained about excessive workloads, including not being able to take toilet breaks because of under-staffing. Staff have also complained about cuts to part-time hours and take-home pay, pressure to meet unrealistic sales targets, and unprocessed stock building up in stores, becoming a safety issue.

The Noni B group includes Noni B, Rockmans, Millers, Katies, and Rivers. The company has said that it prioritises the wellbeing and safety of its staff. However, Noni B is also planning to make a number of roles redundant as part of its integration of Specialty Fashion Group (which it purchased in 2018). The Shop, Distributive and Allied Employees’ Association (SDA) has questioned why Noni B is making staff redundant, considering the under-staffing, health and safety issues. The SDA is lodging a dispute with the Fair Work Commission (FWC) in relation to the redundancies.

In March, SDA National Secretary Gerard Dwyer said the union had been flooded with complaints by Noni B employees. He said:

“The message is clear. It’s time for Noni B to clean up its act and to adhere to good workplace practices for its retail staff.”

For more about the similarities and differences between Maslow’s and Lawrence and Nohria’s theories of motivation, see Box 1.

Training options

Businesses such as Chemist Warehouse provide on-the-job training (which occurs when employees learn a specific set of skills to perform particular tasks within the workplace) and off-the-job training (which involves the conduct of training away from the workplace). Chemist Warehouse benefitted from the launch of a tailored workforce training approach by the Pharmaceutical Society of Australia (PSA) in May last year, and it was the first national pharmacy group to implement the training.

The training approach offers a number of solutions for pharmacy businesses, such as a customisable online education hub and training services delivered by PSA. Chemist Warehouse co-founder, Mario Verrocchi, said he was pleased that PSA was delivering training services for the Group. He suggested that this would ensure that the skills of the business’s pharmacy staff would be developed on an ongoing basis.

At the end of last year, Chemist Warehouse announced that it had partnered with Bod Australia to dispense its medicinal cannabis products nationally. Bod is an ASX-listed company that supplies a range of health and skincare products, including MediCabilis, a pharmaceutical-grade cannabis extract in oil form. Bod will also initiate a comprehensive training program for pharmacists at Chemist Warehouse.

The program will educate participants on all aspects of dispensing MediCabilis to eligible patients, as well as the potential benefits of medicinal cannabis and changes to the regulatory landscape. Bod Australia CEO Jo Patterson said:

“‘We also look forward to progressing our education initiatives with the Chemist Warehouse Group to ensure medicinal cannabis is prescribed and used responsibly and efficiently.’

Performance management strategies

As Telstra continues to cut costs, the company recently confirmed that employees who receive satisfactory ratings on their performance reviews will no longer be entitled to 100 free Telstra shares. Telstra is reviewing all areas of the business under its T22 strategy, which includes the Employee Share Plan. The share plan has been put on hold and will be reviewed at a later time. Telstra said that it will continue to make use of a comprehensive range of reward and recognition programs to acknowledge contributions made by employees.
Termination management

In April 2019, Woolworths Group announced that it will close approximately 30 underperforming Big W stores across the next three years, as well as two distribution centres. It will do this in an attempt to transform the business and return it to profitability.

Brad Banducci, Woolworths CEO, stressed that no decisions about what stores would close had yet been made. He said:

“We understand the impact that the store and DC closures will have on our team and will endeavour to provide affected team members with alternative employment options within the Woolworths Group where possible.”

There are 183 Big W stores across Australia and the chain employs 16,000 people. Unions said they would be working to ensure that Big W employees receive their entitlements and employees are supported throughout the closures.

Similarly, in March, Westpac announced that it is expecting to make 900 full-time positions redundant as a result of the company abandoning its loss-making financial advice business and restructuring its wealth and insurance arms.

Westpac Group Chief Executive, Mr Brian Hartz, said that the company will work hard to find opportunities in the group for employees affected by the decision. Part of the exit from financial advice will see Viridian Advisory (a financial advice business) offer employment to around 175 financial advisers and other management and support staff.

In April 2019, Alison Webster, CEO of Qantas International, announced her resignation. She was widely believed to be a potential successor to CEO of Qantas, the position currently held by Alan Joyce. There was no explanation for her decision.

In an email to staff informing them of Webster’s departure, Mr Joyce said:

“There is a lot of positive momentum in Qantas International at the moment, as there is across the group, and I appreciate everyone’s continued hard work to support this. We wish her well in the future.”

The roles of participants in the workplace

Employees at Chemist Warehouse were on strike in March 2019 over claims that the company was underpaying staff and creating a toxic workplace culture of sexual harassment, bullying and job insecurity. The workers voted to back industrial action at three warehouses (in Somerton and Preston in Victoria and Eagle Farm in Queensland), over a claim for a 25 to 30 per cent pay rise and an increase in the proportion of the workforce that is permanent labour.

Workers at the Preston and Somerton warehouses said that job security was a big issue for them, with the majority of employees on site being employed as casuals and labour hire. According to the National Union of Workers (NUW), only about 20 to 25 per cent of workers in the distribution centres were permanent – the union wanted at least 70 per cent of workers to be permanent. The NUW also claimed that Chemist Warehouse was underpaying permanent and casual staff by about 25 per cent compared to the industry standard.

Chemist Warehouse director Damien Gance claimed that staff in the business’s distribution centres were remunerated well above award rates. He said:

“We have made a good offer to our employees which will mean that over the course of the agreement they will continue to move further and further above award rates.”

Workers formed a picket line outside Chemist Warehouse’s head office next to its warehouse in Preston and blocked trucks from their deliveries. There were allegations of striking workers being targeted with violence and threats at the picket line. The strike resulted in shortages of some retail products, but medications were not affected. You may have seen empty shelves at Chemist Warehouse in March.

On March 26, the FWC found that Chemist Warehouse had not been bargaining in good faith. In the midst of the strike, Chemist Warehouse had asked workers at the Preston warehouse to vote on a new enterprise agreement without input from the NWU. The FWC ordered that Chemist Warehouse return to the bargaining table and that the vote to approve the enterprise agreement be delayed by at least 21 days unless the union agreed to an earlier date.

Awards and agreements as methods of determining wages and conditions of work

After 16 days on strike, the NUW and Chemist Warehouse finally reached an agreement on March 28. The new enterprise agreement for the distribution centre workers contains a large pay rise, greater security of employment and a commitment to a respectful and productive workplace.

The agreement includes the following provisions:

• all employees to receive an 18.75 per cent wage increase over four years, 8.75 per cent of that will come within two weeks. Through classification changes, forklift drivers and trainers to get approximately 22.5 per cent wage increase over four years;
• all casual labour hire members who have been on strike will get permanent jobs;
• recognition of, and training in, gendered violence;
• members on a four-day week can move to a five-day week;
• severance pay on redundancy improved compared to NES;
• the employer can roster people on weekends (at weekend penalties) but only by employee consent and with ability to revert.

An overview of the dispute resolution process

The agreement between the NUW and Chemist Warehouse for the distribution centre workers was achieved through negotiation, though the dispute did require intervention from the FWC (the tribunal ordered that bargaining meetings continue).

Tim Kennedy, NUW national secretary said:

“At a time of serious wage stagnation, it’s great to see workers in their union collectively bargain for wage increases, secure jobs and respect at work.”

Damien Gance, Chemist Warehouse director, described the agreement as a great outcome. He said:

“Our people are critical to our success, and we have been able to achieve a balance between rewarding our current team and being able to continue to grow and offer more job opportunities.”
Michele O’Neil, ACTU President, said that it was an important win. She said:
“Congratulations everyone who took the brave decision to stand up for their rights and win a fair deal at Chemist Warehouse.”

Telstra workers have also been striking. Early in April 2019, Telstra claimed that industrial action by the communications division of the Communications, Electrical and Plumbing Union – the Communications Workers Union (CEPU/CWU) – was not protected. The Fair Work Commission dismissed Telstra’s claim.

On Monday, 8 April, the CEPU/CWU notified and authorised further industrial action to advance members claims for a new enterprise agreement – including a pay rise. CEPU/CWU national president Shane Murphy said that Telstra workers had been forced to take the protected industrial action following Telstra’s refusal to negotiate a fair agreement.

The CEPU/CWU notified Telstra of 24-hours protected industrial action for Wednesday 10 April. The issue is still under dispute.

**REVIEW QUESTIONS**

1. Briefly outline the relationship between managing employees and business objectives.
2. Identify the similarities between Maslow’s and Lawrence and Nohria’s theories of motivation. Outline an example for each similarity.
3. Identify the differences between Maslow’s and Lawrence and Nohria’s theories of motivation.
4. Provide an example of on-the-job training and off-the-job training at Chemist Warehouse. Justify why you selected these examples.
5. Why is Telstra no longer offering employees who receive satisfaction ratings on their performance reviews free Telstra shares?
6. Distinguish between redundancy and resignation.
7. Using Big W and Westpac as examples, explain the difference between entitlement and transition issues.
8. Explain the roles of management, employees, unions, and the Fair Work Commission in the dispute at Chemist Warehouse.
9. Outline the details of the agreement made between the NUW and Chemist Warehouse.
10. How was the dispute at Chemist Warehouse resolved? How might the dispute at Telstra be resolved?

**A focus on Unit 3, Area of Study 3**

**Operations management**

The relationship between operations management and business objectives

The operations area is responsible for manufacturing a business’s good or producing its service. It is vital to the achievement of business objectives because, without a product, a business would not be able to achieve its objectives. Just as we did for ‘managing employees’, keep in mind that the operations management strategies we will explore through the use of case studies all contribute to the attainment of business objectives.

It is important that students understand the difference between efficiency and effectiveness when studying this area of VCE Business Management. Be aware that these are two separate concepts. Efficiency is all about how well a business uses resources to achieve objectives. Essentially, this is referring to productivity (how many inputs/resources it takes to produce output - goods or services). Effectiveness is the degree to which a business has achieved its stated objectives. If a business’s objective was to make profit, and it did so, then we would say it has been effective.

If the business improved productivity while achieving this objective, for example, or reduced the amount of waste it produced, then we conclude that is efficient. But it is always possible for a business to achieve its profit objective (i.e. it is effective) while productivity has deteriorated (i.e. it is not efficient as it could be). For example, greater profits may have been achieved because of a windfall increase in revenue (e.g. following the exit of a competitor from the market place) despite output per labour hour employed (i.e. labour productivity) falling over the same time period. Make sure that you can relate each operations strategy back to how it affects efficiency and effectiveness.

**Key elements of an operations system: inputs, processes and outputs**

**Characteristics of operations management within both manufacturing and service businesses**

Service businesses such as Telstra and Westpac produce intangibles – services that cannot be touched, handled or stored. Manufacturing businesses such Coca-Cola Amatil and Thales Australia (referred to later in this Update) produce tangibles – goods that can be touched. Their goods are manufactured at factories and can be stored before being sold to customers.

Just as the finished outputs of manufacturers and service businesses are different, so too are their inputs (the resources used in the process of production) and their processes (the transformation or conversion of inputs into output).

**Technological developments**

McDonald’s recently announced that it is buying Dynamic Yield, an Israeli start-up company specialising in AI technology. It will use the algorithmically driven, decision logic technology to improve in-store ordering and online marketing. The hamburger giant is believed to be paying more than $US300 million for Dynamic Yield.

Use of this new technology will enable McDonald’s to change its menu displays in real time, based on factors such as weather, the time of day or regional preferences. For example, on a hot day, ice cream cones might be promoted, while coffee might be promoted on cold days. The menus will also be able to suggest add-on items.

McDonald’s will initially use the Dynamic Yield technology in a selection of its US drive-thru locations. The company will then roll the technology out across its other US stores, then worldwide. We can also expect to see the technology used in other parts of its stores.

This purchase of Dynamic Yield is indicative of McDonald’s increased willingness to make use of technological developments, such as self-ordering kiosks, mobile-pay function and through delivery with UberEats.

In a recent statement, chief executive officer, Steve Easterbrook, said that the company is expanding the role that technology will play in McDonald’s future. He noted that:
In March 2019, Bunnings announced that it would be further developing its website, and providing a fully stocked online store. Customers will soon be able to purchase all of Bunnings products online or ‘click and collect’ at a local store. Bunnings had delayed the introduction of an online store because of the expenses and impracticalities related to shipping its bigger and bulkier items.

Its website already has a large audience who make use of the company’s do-it-yourself instructional videos. Bunnings managing director, Michael Schneider, said that the company also wants to become more relevant to younger homeowners and renters by providing more advice tailored for projects within apartments and townhouses.

**Materials strategies**

Thales Australia’s Bendigo facility was forced to shut down production for one week in April 2019, due to issues with a supplier. Thales is a defence contractor and its facility in Bendigo manufactures Hawkei vehicles (light four-wheel drive protected mobility vehicles) for the Australian Defence Force. The delay was caused by Steyr Motors (an Austrian supplier of the Hawkei engine) undergoing a restructure following a decision to enter into voluntary administration.

A Thales spokesperson said that the business had been working closely with staff, suppliers, unions and the Department of Defence to minimise disruptions to the production schedule.

Thales and the Department of Defence sent a delegation to meet with the supplier at the end of March. A defence spokesperson said that the delegation would reinforce the need for continuity of engine supply. Federal Member for Bendigo, Lisa Chesters, said that the shutdown could have been avoided if the federal government had insisted on using a local supplier. The defence spokesperson said Steyr Motors was chosen as the supplier following a global search to identify an engine capable of meeting the lightweight performance requirements of the Hawkei vehicle.

This example illustrates the importance of materials management as an integral part of operations management. It ensures that materials are received and stored in the right quantities, and at the right time, so that they are available in the operations system as required. Manufacturers such as Thales Australia’s Bendigo facility tend to make use of Just In Time, which ensures that the exact amount of materials arrive only as they are needed for production. However, it relies on supplier deliveries being reliable, and materials being received at appropriate times. As a consequence, any delays in delivery can serve to disrupt production, with negative implications for efficiency, effectiveness and overall business performance.

**Quality strategies**

Quality control is the use of inspections at various points in a business’s production process to check for problems and defects. In March 2019, a customer in NSW found bent nails in a couple of Twirl chocolate bars. The boy’s mother posted a picture to social media. She also reported the incident to police. Woolworths stated that it has contacted the supplier. These examples suggest that some businesses need to improve their quality control. They also illustrate one of the weaknesses of this strategy; quality control often involves the selection of random samples that are subjected to inspections so it is possible that poor-quality products will continue to be provided to customers.

**Waste minimisation in the production process**

Blackmores is an Australian health supplements company that sells a range of vitamin, mineral and nutritional supplements. The company grew exponentially between 2014 and 2016 due to demand from its largest Asian market, China. However, this growth has waned as demand has softened. In the meantime, Blackmores’ main competitor, Swisse, has experienced growing sales in China.

In April 2019, Blackmores reported a 14.3 per cent fall in net profit for the first nine months of this financial year. The company relies on online sales and informal exports from Chinese visitors shopping goods home from Australia, known as daigou. Blackmores said that lower daigou sales were a result of new China e-commerce laws implemented during the March quarter.

In March 2019, Marcus Blackmore, the major shareholder of Blackmores, said that the company needed to become “lean and mean”. Mr Blackmore, the son of the late founder of Blackmores, became the interim CEO of the company at the start of April 2019. He said that the company is in a streamlining process and that costs will need to be reduced.

In a letter to shareholders following the fall in net profit, Mr Blackmore said:

> “We firmly believe that this result does not reflect the long-term growth potential of our business. We are committed to a major streamlining of our business – to simplify and improve our processes and structure. Targeting $80 million in savings over three years through a business improvement program allows us to continue investing in key strategic initiatives, build our capability and deliver overall margin improvement.”

**Corporate social responsibility considerations in an operations system**

Businesses must manage their operations while showing awareness of corporate social responsibility considerations. In particular, a business must consider environmental sustainability of inputs and the amount of waste generated from processes and production of outputs.

Update 1 explored Coca-Cola Amatil’s announcement in January that it will no longer be distributing plastic drinking straws or stirrers in Australia, and will instead stock fully recyclable and biodegradable paper straws – which is expected to have a positive impact on waste. More recently, in
April 2019, Coca-Cola announced that 70 per cent of its plastic bottles manufactured in Australia will be made entirely from recycled plastic by the end of 2019. This will double Coca-Cola Amatil’s use of recycled plastic across its beverage range. All small packages 600ml and under, including brands like Coca-Cola, Sprite, Fanta and Mount Franklin, will be made entirely from recycled plastic. The 750ml Pump bottle will also be made entirely from recycled plastic.

The Coca-Cola Company has a global goal of reducing waste and, by 2030, collecting and recycling as many cans and bottles as it sells each year. Peter West, Managing Director of Australian Beverages at Coca-Cola Amatil, said the increase in the use of recycled plastic means the company can avoid using around 16,000 tonnes of virgin plastic each year from 2020. He said:

“We’ve heard the community message loud and clear - that unnecessary packaging is unacceptable and we need to do our part to reduce it nationwide. As well as reducing the amount of plastics we use, what we all need to do is to work on ways to reduce plastic that ends up as litter and to play our part in having these plastics successfully recycled for another life.”

Global considerations in operations management

Global considerations in operations management include global sourcing of inputs, overseas manufacture, global outsourcing and supply chain management. Supply chain management refers to the co-ordination of the range of suppliers from which the business purchases materials and resources, from the sourcing of natural resources, followed by manufacturing activities (e.g. component construction and assembly), to storage facilities before reaching the consumer. Pet food shelves at Woolworths and Coles were left bare in April 2019 following a pricing dispute with a supplier. Mars Petcare, which owns 55 pet food brands (including Pedigree, Whiskas, Royal Canin, Dine, My Dog and Optimum) had refused to supply the supermarkets because they would not accept price rises.

This situation illustrates the importance of supply chain management: if materials are not available then the business cannot operate. Accordingly, the maintenance of good relations with suppliers is essential to maximise efficiency and effectiveness.

REVIEW QUESTIONS

1. Briefly outline the relationship between operations management and business objectives.
2. Outline the difference between efficiency and effectiveness in relation to operations management.
3. Describe how it might be possible for a business to be effective yet inefficient.
4. Distinguish between operations management in manufacturing businesses and in service businesses.
5. Explain what Dynamic Yield is and how the technology will benefit McDonald’s.
6. Outline how and why Bunnings is further developing its website.
7. Explain why Thales Australia’s Bendigo facility was forced to shut down production for one week in April.
8. Outline what the shutdown at Thales Australia’s Bendigo facility suggests about the importance of materials management.
9. Identify the benefits and limitations of quality control.
10. Explain what Marcus Blackmore means when he says that Blackmores needs to become “lean and mean”.
11. Describe how Coca-Cola hopes to reduce the amount of waste generated from the production of its outputs.
12. Explain the importance of supply chain management.

APPLICATION EXERCISE

Case Study on a retail fashion business – Amena Jones

Clothing retailer Amena Jones has experienced dramatic change over the last decade. The business opened its first store in Melbourne 30 years ago. It now has stores across Australia and New Zealand, and employs 10,000 people. Amena Jones strives to empower its team members to reach their full potential.

Amena Jones provides workplace conditions such as flexible work arrangements and career advancement. The business encourages collaboration, creativity and imagination. Its employees are highly motivated.

Like many other clothing retailers, Amena Jones sources most of its products from overseas countries, such as China and Bangladesh, where materials and the costs of labour are significantly lower. The business believes that it is important to engage with the workers and communities in these countries.

Unfortunately, in a tough retail environment, Amena Jones has been struggling. Its recent performance is summarised in the following table.

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<td>Profit</td>
<td>Decreased by 5%</td>
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<td>Market share</td>
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To improve its results, management at Amena Jones realises that the business must retain its motivated employees. However, it will need to improve productivity in order to reduce costs further and improve efficiency and effectiveness.

Answer the following questions that relate to Area of Study 2 and 3 of Unit 3 Business Management.

1. Explain how the operations and human resources areas of management responsibility will contribute to the achievement of Amena Jones’ business objectives.
2. Examine whether Locke and Latham’s Goal Setting Theory is appropriate for maintaining motivation at Amena Jones.
3. Describe the effect of career advancement or support on the short- and long-term motivation of Amena Jones’ employees.
4. Explain how Amena Jones could make use of one training option to empower its team members to reach their full potential.
5. Propose and justify a performance management strategy for achieving Amena Jones’ and employee objectives.
6. Amena Jones may be forced to decrease costs by reducing its staff. Explain an appropriate termination strategy that the business could use to ensure that the motivation of existing employees is not affected.
7. Explain the role of human resource managers in the workplace at Amena Jones.
8. Describe the key elements of Amena Jones’ operations system.
9. Explain how Amena Jones could make use of website development to improve the efficiency and effectiveness of its operations.
10. Propose and justify a quality strategy for improving the efficiency and effectiveness of Amena Jones’ operations.
11. Evaluate lean management as a strategy for improving the efficiency and effectiveness of Amena Jones’ operations.
12. Explain one corporate social responsibility consideration that Amena Jones addresses in its operations system.
13. Explain one global consideration that Amena Jones will need to address.

INTERESTING INFORMATION

Supermarkets stocking vegan friendly and ethically sourced Easter products

You may have enjoyed one or two Easter eggs over the school holidays. You may also have noticed some changes to the Easter product offerings in stores such as Coles, Woolworths and Aldi over this period.

According to a report by IBISWorld in March last year, the increasing number of Australians concerned with what they consume is causing chocolatiers to change their product offerings. The report titled ‘Chocolate and Confectionery Manufacturing in Australia’ stated:

“Supermarkets are expected to expand their ranges of private-label industry products to include healthier and premium varieties of chocolate and confectionery.”

While spending on chocolate over the Easter period is expected to continue in Australia, businesses are being pressured by customers to produce more premium and healthier options. This explains why supermarkets included Easter products that are ethically sourced, vegan friendly, reduced in sugar or sugar-free.

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