GCE

# BUSINESS STUDIES

## BUSS4: The Business Environment and Managing Change
## Report on the Examination

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## General Comments

This was an accessible paper that, at the same time, provided sufficient challenge to enable stronger students to show their skills. The key to a good answer is, as ever, to answer the specific question asked, to provide relevant arguments and to support these with evidence. Weaker responses often did not focus on the question, lacked developed arguments or failed to support their responses by relating to the given context. Thinking about a question is essential to a good answer - What is the precise question you are answering? What is the answer you want to give? And how do you explain and support your arguments? These are important things a student should be thinking about before writing their response. It is not uncommon to read long answers that simply fail to address the specific question and where more time thinking about their answer would have helped. Essay writing is undoubtedly a skill and students need to practise this as much as they can before the exam.

## Section A

The two questions in Section A were almost equally popular. The item material on Google provided a useful starting point for students who could build on it or compare and contrast it with other organisations they had studied.

There were some organizational cultures that were particularly popular in responses such as Apple, Zappos, SouthWest Airlines, Vogue, Barclays and John Lewis. However it was good to see a range of organisations had been studied. The purpose of research is to identify general issues relating to the theme and to provide supporting evidence to the analysis of these issues. Research should not lead to a 'collection of stories' but rather help students understand a topic in depth and provide them with a context for their arguments. When writing essays students should be looking for the general principles they can identify, explain and evaluate rather than just base their arguments on describing a couple of business examples. For example, a response that argues company A has one type of culture and is profitable and company B has another type and is profitable therefore not all profitable companies have the same culture has not drawn out the key issue of, if the culture of profitable businesses varies then why is this? It is important when preparing for the theme that students focus on the analytical arguments and then think of how they can provide evidence of this rather than simply learn stories.

## Question 1

Students were often able to compare and contrast different cultures. Typical judgements were that there is no one type of culture for profitable businesses - it depends on factors such as the leader, the industry and the external environment. Better answers actually explained why the culture of profitable businesses depended on these different factors and therefore why cultures of profitable businesses would or would not differ. It is important for students to pull out the underlying arguments rather than just present examples of the cultures of profitable organisations. It is also important to stay focused on the question - for example, some students seemed to be answering the question 'to what extent is culture the main determinant of profit', which was not the focus of the question that had been set; similarly some students wrote an essay on 'what determines culture', which again is not focused appropriately. Better answers produced well-researched comparisons and, for example, argued that a task culture contributed to innovation and profits in some industries (especially technology) but that a role culture might be more effective in others (retail, especially Amazon was often used as evidence).

## Question 2

Students often identified a number of reasons why culture might change such as new leaders, the external environment or poor performance. This may have been compared with successful organisations where they felt there was no need for culture to change. Weaker answers focused on why strategy might change rather than culture.

Some good responses included organisations such as Nokia and Kodak and argued that culture change should happened but did not (ie it was not inevitable) due to their inward looking approaches. Some focused on banks and Royal Mail and argued that change was inevitable here for survival. Some discussed whether it as inevitable that the culture of an organization such as Google had to change as it got bigger; others argued it was not inevitable because the present team would fight hard to preserve it.

## Section B

## Question 3

This was the most popular question of section B, but some students focused on how businesses did (or did not) respond to change. For example, they wrote about winners and losers following the recession. The question clearly required students to consider how businesses might prepare for change and not how they reacted to it. Better answers focused on approaches such as market research, contingency planning, and research and development. There was quite a common assumption that no firm could have prepared for changes such as the recession but this was not explained. Better answers discussed different types of change and the extent to which businesses could prepare for them.

## Question 4

Students often focused on the behaviour of banks, the treatment of suppliers or the exploitation of child labour and argued the need for regulation with relevant evidence. The tragedy in Bangladesh was often referred to where it was used to discuss issues relating to global regulation and highlighting the potential limitations if only one government acts.

Better answers often considered the possible problems of intervention as well. The best answers had a clear focus on the need for more regulation in the future as opposed to just discussing the case for and against regulation. Some students discussed whether greater regulation was needed or whether actions by consumers, investors and employees would be more powerful.

## Question 5

This was the least popular question in section B. Better answers considered issues such as economies and diseconomies of scale and factors that might allow or prevent further growth such as globalisation or change in market conditions (e.g. the future supply of oil). Some responses focused on what had happened (e.g. how organisations had grown) and did not relate sufficiently to future growth. Some focused on ‘success’ rather than size specifically. Better responses considered the importance of factors such as market power, brand awareness and experience in markets and kept their answers focused on the issues facing large organisations rather than any business. Better answers evaluated whether future growth was likely or possible for large businesses.

## Summary

The advice remains to students that they should spend time choosing the right question for them and planning the way they want to answer it. An opening paragraph with a clear focus on the question set, outlining the arguments and the key issues can work wonders to set the scene. Weaker students seem to start writing and try and work the question out as they go.

The other advice is to think carefully about the purpose of examining business cases. The aim is to provide an insight into what determines the way managers behave or respond, to be able to weigh up the significance of factors and to learn from specific businesses lessons that can be applied more generally. The aim is not to learn stories but to think why something has or has not happened and what can be learnt more generally from a particular reaction or impact – what have we learnt about the factors that determine whether an impact is severe or not? Whether a reaction is effective or not? Case studies are there to help build arguments not to be memorized and repeated as stories. Students need to be careful not to let their descriptions of cases get in the way of their analysis and evaluation or arguments.

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