

# IB Business Management – Human Resource Management

## 2.6 Industrial/Employee Relations: Exam Practice Question



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### 2.6 INDUSTRIAL/EMPLOYEE RELATIONS: EXAM PRACTICE QUESTION

Read the case study below and answer the questions that follow.

#### CONSTANT CHANGE A FEATURE OF MODERN INDUSTRY



Britax has undergone many changes in the last few years. The business grew out of a diverse group of companies. The Britax name and brand was adopted at the end of the 1990s when the business decided to concentrate its efforts and sold off some of its activities. It now focusses on child safety seats and designing and building

aircraft interiors. Sales of child safety seats have been boosted by recent developments in the law, while air craft interiors are a niche market with four international competitors. Overall, turnover of Britax's aeronautics division has grown from \$20 million to \$150 million in six years despite intense competition and an aircraft building industry that fears a fall in aircraft orders.

Britax has just introduced a complex and expensive computer system to manage its production resource planning. Stock levels have fallen dramatically and productivity has improved. But the change involved changes in many people's work practices and skills. Redundancies have been significant but Britax has done its best to act ethically to the employees affected. Redundancies have been worked through with union agreement and union support for staff.

As with all changes of this nature the crucial key to success lies not with the product but those who use it. "People react in different ways to change" said the company's business systems

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manager. “How people approach change is a critical factor. A big factor in managing this is having the right conflict resolution procedures in place. We have a no-strike agreement with our employees and we employ the practice of industrial democracy. We spent a great deal of time and effort in industrial relations and it was well worth it.”

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### QUESTIONS: 25 MARKS, 45 MINUTES

1. Explain why it is likely that there will be almost constant change occurring within businesses such as Britax. **[3 marks]**
2. Outline **two** ways in which Britax approaches conflict resolution. **[4 marks]**
3. Examine two human resource strategies for reducing the impact of change and resistance to change. **[8 marks]**
4. Discuss how innovation and ethical considerations may influence employer-employee relation at Britax. **[10 marks]**