

9.5 HSC topic 5: Global Business

20% of indicative time

The focus of this topic is to examine the implications of globalisation on business structure, functions and management.

Outcomes

The student:

H 1 .1 explains the impact of the global business environment on business role and structure

H 1 .2 critically analyses the role of business in Australia

H2.1 describes and analyses business functions and operations and their impact on business success

H2.2 evaluates processes and operations in global business

H3.2 evaluates the effectiveness of management in the organisation and operations of business and its responsiveness to change

H3.3 analyses the impact of management decision-making on stakeholders

H4.1 critically analyses the social and ethical responsibilities of management

H4.2 evaluates management strategies in response to internal and external factors

H5.1 selects, organises and evaluates information and sources for usefulness and reliability

H5.2 plans and conducts an investigation into business to present the findings in an appropriate business format

H5.3 communicates business information, ideas and issues, using relevant business terminology and concepts in appropriate forms

Content

Students learn to:

use existing business case studies to investigate and communicate ideas and issues related to global business. The focus of these case studies will be to:

- select a global business and identify its international targets
- describe and analyse the reasons for its international expansion
- explain the influences on this business in the global market
- explain the strategies used by the business to achieve its targets.

Students learn about:

Globalisation

- nature and trends -growth of the global economy and changes in markets (financial/capital, labour, consumer)
- trends in global trade since World War II
- drivers of globalisation
 - role of transnational corporations
 - global consumers
 - impact of technology
 - role of government
 - deregulation of financial markets

- interaction between global business and Australian domestic business

global business strategy

- methods of international expansion
 - export
 - foreign direct investment
 - relocation of production
 - management contract
 - licensing/franchises
- reasons for expansion
 - increase sales/find new markets
- acquire resources and have access to technology
 - diversification
 - minimise competitive risk
 - economies of scale
 - cushioning economic cycle
 - regulatory differences
 - tax minimisation

specific influences on global business

- financial
 - currency fluctuations
 - Interest rates
 - overseas borrowing
- political
 - tensions between protectionism and free trade
 - international organisations and treaties (World Trade Organisation)
 - trade agreements
 - regionalism
 - war and civil unrest
- legal
 - contracts
 - dispute resolution
 - intellectual property
- social/cultural
 - languages
 - tastes
 - religion
 - varying business practices and ethics

managing global business

- financial
 - methods of payment
 - credit risks
 - hedging
 - derivatives
 - insurance
 - obtaining finance
- marketing
 - research of market

- global branding
 - standardisation and differentiation
- operations
 - sourcing (vertical integration, make or buy)
 - global web (components produced in different countries)
- employment relations
 - organisational structure
 - staffing
 - shortage of skilled labour
 - labour law variations
 - minimum standards of labour
 - ethnocentric/polycentric/geocentric staffing system
- evaluation -strategies with reference to a particular global market
- modifications of strategies according to changes in global market

management responsibility in a global environment

- ethical practice -tax havens and transfer pricing
 - minimum standards of labour
 - dumping illegal products
 - ecological sustainability.