



**General Certificate of Education**

**Applied Business 8616/8619**

**BS12      Managing People**

**Mark Scheme**

*2007 examination - January series*

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

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	<b>Assessment Objectives</b>
	The Assessment Objectives represent those qualities which can be demonstrated in candidates' work and which can be measured for the purposes of assessment.
AO1 Knowledge, skills and understanding	Candidates demonstrate knowledge and understanding of the specified content and relevant business skills.
AO2 Application of knowledge, skills and understanding	Candidates apply knowledge and understanding of the specified content and relevant business skills.
AO3 Research and analysis	Candidates use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.
AO4 Evaluation	Candidates evaluate evidence to reach reasoned judgements
<b>Quality of Written Communication</b>	<p>The quality of written communication is assessed in all assessment units where candidates are required to produce extended written material. Candidates will be assessed according to their ability to:</p> <ul style="list-style-type: none"> <li>• select and use a form and style of writing appropriate to purpose and complex subject matter</li> <li>• organise relevant information clearly and coherently, using specialist vocabulary when appropriate</li> <li>• ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear.</li> </ul> <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p>

1

**Total for this question: 25 marks**

(a) Using **Item A**, describe **one** management role which Mark fulfils in the business.  
(3 marks)

Selects one of planning, organising, monitoring/evaluation or reporting and describes the role managers perform.

Level	Descriptor	Marks	Assessment Objective
2	Use Mark's position in <b>Item A</b> to illustrate this role.	3	AO2
1	Identifies and explains one management role.	1–2	AO1

(b) (i) Explain why, despite his position as site foreman, Josef initially lacked authority in his new role.  
(6 marks)

**Relevant answers might include the following:**

- Josef was new to the role
- Josef was relatively new to the company
- he lacked the background of trust and respect which tends to be built up over time
- he was put into a position of power but to obtain authority he would have to prove himself in the new role
- some workers appeared to question his ability to perform the role as he is a migrant worker.

Level	Descriptor	Marks	Assessment Objective
3	Explains why Josef lacked authority.	6	AO3
2	Partially explains why Josef lacked authority and/or power in his position.	3–5	AO2
1	Describes an aspect of authority and/or power.	1–2	AO1

(ii) *Josef's authority was reinforced in the short-term by Mark's intervention.*

*Discuss the extent to which Mark's intervention will be effective in establishing Josef's authority in the longer term.* (8 marks)

**Relevant answers might include the following:**

- Mark's intervention will have made it clear to the staff that Josef is in a position of authority and has the backing of management to undertake this role
- it should help to develop Josef's authority within the business as staff will not want to upset the senior managers
- it may also be seen as weakness and confirmation of Josef's lack of authority by some workers that Mark had to step in to defend his position
- most managers lack authority at the start and have to prove themselves
- Mark's intervention will only work if Josef is then able to prove he is capable of doing the job.

Level	Descriptor	Marks	Assessment Objective
4	Evaluates whether Mark's intervention will have made Josef's position of authority easier or more difficult in the long-term.	7–8	AO4
3	Analyses positive or negative consequences of Mark's intervention in the short and long-term.	5–6	AO3
2	Explains some of the advantages or disadvantages to the situation in <b>Item A</b> .	3–4	AO2
1	Identifies some advantages or disadvantages of a senior manager's intervention.	1–2	AO1

(c) Discuss **one** advantage and **one** disadvantage of introducing an extra management tier into the business. (8 marks)

**Relevant advantages might include the following:**

- better control of local teams, who can be more focused on local conditions and performance
- it should also allow senior managers to concentrate on the development of the business.

**Relevant disadvantages might include the following:**

- it will make the business more complicated to run and increase costs due to the extra managers employed
- there is a danger that the extra layer of management will reduce the effectiveness of communication and lead to the senior managers finding it harder to understand what is happening at the coal face and/or stop staff talking to the managers with ideas and suggestions.

Level	Descriptor	Marks	Assessment Objective
4	Discusses the strength of the advantage and disadvantage of introducing an extra management tier into the business.	7–8	AO4
3	Analyses the advantage or disadvantage of introducing an extra management tier into the business.	5–6	AO3
2	Explains an advantage or disadvantage of introducing an extra management tier into the business.	3–4	AO2
1	Identifies an advantage or disadvantage of introducing an extra management tier into the business.	1–2	AO1

**2****Total for this question: 25 marks**

(a) <i>Explain the type of decision which Mark needs to make in deciding how to motivate staff at the business.</i>	<i>(5 marks)</i>
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Mark will need to make a non-routine/strategic decision in relation to the future of the business. The choice he makes could have a major impact on the future of the business because if he gets it wrong he may lose the support of the self-employed plumbers.

Level	Descriptor	Marks	Assessment Objective
3	Explains in context why Mark's decision is a non-routine/strategic one.	4–5	AO3
2	Explains why Mark's decision is a non-routine/strategic one.	2–3	AO2
1	Identifies type of decision.	1	AO1

(b) Use Maslow's Hierarchy of Needs theory to analyse the impact on the plumbers' motivation of:

(i) payment per job completed;

(5 marks)

**Relevant answers might include the following:**

- payment per job would help to meet some of the lower order levels on the hierarchy
- it would potentially help to reward staff and meet their basic need for pay to provide for their needs
- the potential risk is that they could earn less if jobs were not completed on time
- it will not meet their higher level needs for self-actualisation but could be argued to support their ego, as it would help them to feel that they were being paid well for a job well done.

Level	Descriptor	Marks	Assessment Objective
3	Analyses the impact that payment per job would have on the plumbers' motivation using Maslow's Hierarchy of Needs.	4–5	AO3
2	Explains the impact that payment per job would have on employee motivation using Maslow's Hierarchy of Needs.	2–3	AO2
1	Identifies some aspects of Maslow's Hierarchy of Needs.	1	AO1

(ii) free ongoing training provided by the business.

(5 marks)

**Relevant answers might include the following:**

- free training would, on its own, not meet the needs of the plumbers for their basic needs, but the jobs they do and the fact they are in demand should meet these needs
- the free training would mainly support the plumbers in achieving their ego and self-actualisation needs as it would help them to realise their potential and to develop their skills.

Level	Descriptor	Marks	Assessment Objective
3	Analyses the impact that training would have on the plumbers' motivation using Maslow's Hierarchy of Needs.	4–5	AO3
2	Explains the impact that free training would have on employee motivation using Maslow's Hierarchy of Needs.	2–3	AO2
1	Identifies some aspects of Maslow's Hierarchy of Needs.	1	AO1



(c) *Select and justify which approach to motivating the self-employed plumbers Mark should use within the business (Item B, lines 9 to 18).* (10 marks)

**There are several factors which Mark must consider:**

- payment per job should help to motivate the plumbers to work hard as their rewards would be linked to the work they produced
- however, it may encourage them to rush jobs to get them finished and if this causes problems with quality Mark's business may lose out and/or have to spend lots of time and money correcting problems
- the training would increase the skills and motivation of the plumbers which should help to improve quality and output
- there is a very real risk that as self-employed contractors they would use their enhanced skills to work for other businesses or to demand higher rates of pay per job or per hour.

Level	Descriptor	Marks	Assessment Objective
3	Analyses the pros or cons of the selected motivational approach.	5	AO3
2	Explains the pros or cons of the selected motivational approach.	3–4	AO2
1	Selects an approach to motivation. Identifies an impact(s) on the self-employed plumbers of the selected approach.	1–2	AO1

For **AO4**, you should award marks using the scheme below.

**Note** that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
2	Justifies the suitability of the selected approach to motivating the self-employed plumbers. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	3–5	AO4 and Quality of written communication
1	Demonstrates some judgement in the selection of the approach to motivating the self-employed plumbers. Ideas are communicated using a logical structure, with some appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	

**3**

**Total for this question: 30 marks**

(a) *Nasser was proactive in drawing up the proposals to solve the dispute.*

*Explain why he would want to be proactive in his leadership in this situation. (4 marks)*

**Relevant answers might include the following:**

- the business was faced with a crisis and it is important for the manager to be seen to take control and solve the problem. This is both to reassure customers and ensure the business keeps operating effectively
- the manager needs to demonstrate to other staff that the future of the business is secure
- it would be bad if the manager waited for the problems to be resolved as customer satisfaction and future orders could be adversely affected
- it is essential to be proactive in trying to solve the problem.

<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>	<b>Assessment Objective</b>
2	Explains the benefits of being proactive to the situation facing the business.	2–4	AO2
1	Identifies some of the benefits of being proactive.	1	AO1

(b) (i) Use Herzberg's two factor theory to analyse the impact on the motivation of the drivers if they were empowered to manage the delivery process as they have suggested. (6 marks)

The proposal for the drivers to be empowered by managing the delivery process themselves has potentially both positive and negative consequences.

**Positive impact on the motivation of the drivers could include:**

- helping them to develop new skills and qualifications
- they would feel more involved as they would be able to control their own future and work.

These benefits or motivators would only be realised if the negative potential dis-satisfiers or hygiene factors are addressed.

**Potential hygiene factors:**

- pay and conditions would be less secure as they would depend upon performance
- security may also be adversely affected because the drivers would feel unsettled by the fact that their jobs were changing and that they are being asked to do unfamiliar work that they do not enjoy.

Level	Descriptor	Marks	Assessment Objective
3	Analyses both Herzberg factors for the drivers.	5–6	AO3
2	Applies the Herzberg factors to the position in the business.	3–4	AO2
1	Identifies some Herzberg factors present in the workforce.	1–2	AO1

(b) (ii) *Evaluate the extent to which Nasser would have to change his leadership style if the business allowed the delivery drivers to manage the delivery process as they have suggested.* (8 marks)

**Relevant answers might include the following:**

- Nasser would have to be prepared to give the drivers far more autonomy and the ability to influence a wide range of factors such as which trucks to buy, what fuel to purchase, the order deliveries were made in or the time of day etc. If he did not, then the empowerment would not work
- Nasser would have to be less directive, allow staff to experiment and make mistakes, but would also need to be supportive to reassure them that they had management backing.

Level	Descriptor	Marks	Assessment Objective
3	Analyses why Nasser's leadership style needs to change.	3	AO3
2	Explains the changes Nasser would need to make to the business.	2	AO2
1	Identifies a way(s) in which Nasser would have to change.	1	AO1

For **AO4**, you should award marks using the scheme below.

**Note** that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
2	Judges, with justification, the likelihood of Nasser being able to make the changes needed. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	3–5	AO4 and Quality of written communication
1	Judges, using limited justification, the likelihood of Nasser being able to make the changes needed. Ideas are communicated using a logical structure, with some appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	

(c) *Evaluate the likely success of empowering the drivers to manage the delivery process.*  
(12 marks)

The outcome is very uncertain.

**Potential Risks:**

- the drivers may not be able to deliver the cost savings they are looking for and this may cause problems later on
- if the drivers failed to make the improvements the business would still be left with high cost deliveries which would make it less competitive
- it may also be more difficult to change to a contracted out service after giving the drivers more autonomy.

**Benefits for the business:**

- current dispute would be defused whilst motivating the drivers
- if the drivers were set performance targets to meet to get costs down they would also be motivated to prove that they could do it
- it would allow the business to keep the deliveries in house and under more direct control, costs would hopefully be reduced.

**Ultimately, the success of empowering the drivers would be subject to many variables including the:**

- degree to which the drivers were able to reduce costs
- degree of autonomy that the business allowed them
- factors such as trends in costs of transport inputs.

The business would thus be taking a risk which may or may not be more successful than using a separate contractor.

Level	Descriptor	Marks	Assessment Objective
3	Analyses the likely outcome of the empowerment option outlined in <b>Item C</b> .	5–6	AO3
2	Explains a risk(s) and/or benefit(s) of empowering the drivers as set out in <b>Item C</b> .	2–4	AO2
1	Identifies a risk or benefit of empowering the drivers as set out in <b>Item C</b> .	1	AO1

**Please turn over for AO4.**

For **AO4**, you should award marks using the scheme below.

**Note** that AO4 also assesses candidates' quality of written communications. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
3	Assesses the likelihood of success with the proposed change to the way the business is run and prioritises a range of evidence from <b>Item C</b> . Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	5–6	AO4 and Quality of written communication
2	Partly assesses the likelihood of success with the proposed change to the way the business is run and prioritises a range of evidence from <b>Item C</b> . Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	3–4	
1	Judges, with limited justification, the likelihood of success with the proposed change to the way the business is run and prioritises some evidence from <b>Item C</b> . Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	