

Surname						Other Names					
Centre Number						Candidate Number					
Candidate Signature											

For Examiner's Use
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General Certificate of Education  
 January 2008  
 Advanced Level Examination



**APPLIED BUSINESS**  
**Unit 12 Managing People**

**BS12**

Monday 21 January 2008 1.30 pm to 3.00 pm

<b>You will need no other materials.</b>
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For Examiner's Use			
Question	Mark	Question	Mark
1		3	
2			
Total (Column 1) →			
Total (Column 2) →			
TOTAL			
Examiner's Initials			

Time allowed: 1 hour 30 minutes

**Instructions**

- Use blue or black ink or ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- Answer the questions in the spaces provided.
- Do all rough work in this book. Cross through any work you do not want to be marked.
- If you need additional space, you should continue your answers at the end of this book, indicating clearly which question you are answering.

**Information**

- The maximum mark for this paper is 80.
- The marks for questions are shown in brackets.
- Questions 2(c), 3(b) and 3(c) should be answered in continuous prose. In these questions you will be marked on your ability to use good English, to organise information clearly and to use specialist vocabulary where appropriate.

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Answer **all** questions in the spaces provided.

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1 Read **Item A** and then answer the questions that follow.

**Item A**

**The Redwood Court Hotel**

The *Redwood Court Hotel* is a large four star hotel with excellent leisure and conference facilities. It is also licensed for civil weddings and receptions.

Recently, a new Hotel Manager, Josh Brown, was appointed. The previous Hotel Manager, Frances Davenport, had retired after working at the hotel for 40 years. Frances had a consultative approach to managing the hotel and was highly respected by the staff because of her experience.

Josh has a background in retailing where he successfully managed eight stores employing 320 staff. Josh had decided that, after 15 years in retailing, he wanted a new challenge and the chance to manage a large hotel seemed too good an opportunity to miss.

Although Josh admitted at interview that he knew very little about hotels, the interview panel was impressed with his ability to produce profit growth and to lead large staff teams. Some of the interview panel also felt that the hotel needed a more directive management style.

During his first three months in charge, Josh has upset many of the hotel staff by using an autocratic management style and making changes without consultation. In particular, his insistence on managing every aspect of the business has made senior members of staff, such as the Head Chef and the Leisure Centre Manager, very angry as they are used to the consultative style used by his predecessor, Frances.

They have complained to the Board of Directors that, whereas they do not doubt Josh's enthusiasm, they are concerned about some of the decisions that have been made and which have upset their staff.

- (a) Using **Item A**, describe **one** management role which Josh might fulfil in the business.

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*(3 marks)*

- (b) Josh’s power is based on his position as Hotel Manager. Using **Item A**, explain the limitations of Josh’s use of position power.

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*(6 marks)*

**Question 1 continues on the next page**

**Turn over** ►

(c) Analyse how the skills Josh developed running the stores might help him to manage the *Redwood Court Hotel*.

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*(8 marks)*

(d) Analyse why Josh's autocratic management style is causing problems at the *Redwood Court Hotel*.

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**Turn over for the next question**

**Turn over ▶**

2 Read **Item B** and then answer the questions that follow.

**Item B**

**Introducing Flexible Working**

The *Redwood Court Hotel* currently employs 87 full-time staff and a further 60 part-time staff during its peak season between March and October.

The previous Hotel Manager had offered the part-time staff regular work and a guaranteed number of hours during the peak season. Josh has decided that to increase efficiency and profits he needs them to work more flexibly, and only wants to employ them when events are actually running.

Josh has also said that he is not prepared to pay the part-time staff overtime rates when working weekends or long-shifts, unless this takes them over 37 hours per week. The part-time staff are very angry as this means that they will have to work more flexibly whilst also seeing their wages fall due to lower overtime payments.

Josh has, however, proposed to introduce a profit sharing scheme. Under the proposed scheme 15% of the annual profits at the hotel would be shared amongst all of the staff.

The staff responses to Josh's proposals have been very mixed. Most of the full-time staff are very keen on the profit sharing scheme as they think that they will earn more.

In contrast, the part-time staff oppose the changes as they do not think that the money they would earn from the profit sharing scheme would make up for the money they felt they were losing from the new overtime arrangements. Some have already left to find new jobs.

- (a) Describe the type of decision which Josh has made in deciding to establish the profit sharing scheme.

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(5 marks)

**Question 2 continues on the next page**

**Turn over** ►

(b) Using **Item B**, analyse why the part-time staff may be demotivated by the changes to their working hours.

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(c) Discuss whether the introduction of the profit sharing scheme will help the business to prosper.

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3 Read **Item C** and then answer the questions that follow.

**Item C**

**Bowker Leisure Limited**

*Bowker Leisure Limited* owns climbing centres where members of the public can learn to climb. It has expanded as the popularity of climbing has grown and now has five centres in Wales, the Lake District and Scotland.

Sarah Bowker, an experienced climber, is the Managing Director. She employs only fully qualified and dedicated instructors to work with clients. Sarah is very strict on safety but believes that her staff are skilled and can work independently. She therefore uses a very consultative leadership style and believes in empowering staff.

Sarah has organised each climbing centre into a flat structure based on a team where everyone is involved in making decisions. Each centre holds a weekly staff meeting to plan activities and to allocate job responsibilities. The Centre Manager's role is to co-ordinate these activities.

Recently, Sarah has been offered the chance to manage another climbing centre linked to a sports complex in the North of England. This centre is owned by a Council and Sarah thinks that it has the potential to generate significant marketing opportunities for her business. However, this centre has been used only for beginners and is poorly equipped.

The staff at the Council owned centre do not have much experience in climbing and often supervise swimming or badminton instead. They see their job only as a way to earn money. Sarah is uncertain about whether she can make this centre work effectively with its current staff.

- (a) Using **Item C**, analyse the appropriateness of Sarah’s leadership style for the climbing instructors at Bowker Leisure Ltd.

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**Question 3 continues on the next page**

**Turn over** ►

- (b) Sarah uses a flat organisational structure in her climbing centres. Discuss whether this would be suitable for the Council owned centre.

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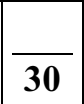
*(12 marks)*

(c) Discuss how Sarah could make the Council owned centre successful with the current staff it employs.

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**END OF QUESTIONS**



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