

Surname					Other Names				
Centre Number					Candidate Number				
Candidate Signature									

For Examiner's Use

General Certificate of Education
 June 2009
 Advanced Level Examination



APPLIED BUSINESS
Unit 12 Managing People

BS12

Friday 12 June 2009 9.00 am to 10.30 am

You will need no other materials.
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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 black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Answers written in margins or on blank pages will not be marked.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The maximum mark for this paper is 80.
- The marks for questions are shown in brackets.
- Questions 2(b), 2(c) 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.



J U N 0 9 B S 1 2 0 1

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

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

Item A

Barnsby Contract Labour Ltd

Barnsby Contract Labour Ltd (BCL) supplies staff to other businesses on short-term contracts to cover labour shortages caused by seasonal variations in workload, long-term illness and maternity leave.

Approximately 700 of its employees work on flexible contracts. The company guarantees that they will be employed at least 150 days per year and earn at least 20% more per hour than those in comparable permanent jobs. In the past, the employees liked this arrangement because it was flexible and could fit around their other commitments. 5

The employees have very little personal contact with *BCL* managers and are told where to report for work by text message, often being told when and where they will be working only a few days in advance. *BCL* believes that this allows it to be much more responsive to its customer needs. 10

Until recently, staff retention at *BCL* had been better than at similar businesses. However, over the past two years the number of staff leaving has increased dramatically and it has now become virtually impossible to recruit enough new staff to keep pace with the problem. 15

Terry Smith has just resigned from *BCL* to join another business. He gave as his reason for leaving, "I never know where I am here, as all the decision-making seems to be reactive. Although the hourly wage at *BCL* is good, there is never any guarantee about when or where I will be working. There is no training given and, with the economy looking bad, a permanent job seems to be a safer option. My new employer has offered me the chance to study a college course which is great because it gives me the opportunity to upgrade my skills and the chance to work at a higher level." 20



1 (a) (i) What is meant by ‘reactive decision-making’ (lines 18–19)?

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(2 marks)

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1 (a) (ii) Using **Item A**, describe a problem which reactive decision-making creates for *BCL* employees.

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Question 1 continues on the next page

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1 (b) In addition to reactive decision-making, use **Item A** to analyse **two** other problems caused by *BCL* management.

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

Item B

Restructuring Plan for BCL

At a recent *BCL* board meeting, concerns were expressed by Amanda, the Director of Resources, about the problems arising from the high number of staff leaving. “It appears that some of our clients are now using us as a cheap recruitment agency. They use our contract staff on a trial basis to then fill their own permanent vacancies.” The Board agreed, and asked her to propose ways to turn the situation around.

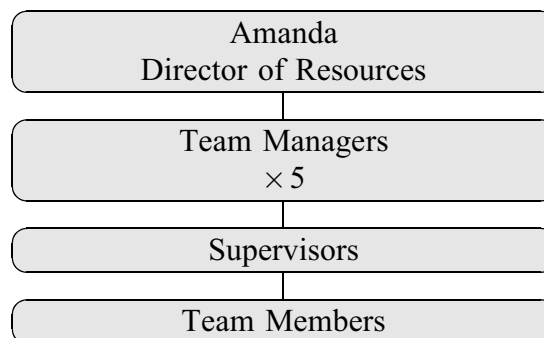
Amanda has now completed a thorough review and produced a report for the Board. The report concludes that:

- the organisational structure is too flat to manage the business effectively
- managers and staff have very little communication, even when they have complaints or concerns

Amanda’s report has suggested that, to address these problems, the business must implement the following.

- Employees should be restructured into five work teams, with about 140 staff in each team. Each of these teams would be headed by a Team Manager. Each team would focus on a different business sector, such as construction, finance, retailing.
- Within each team, seven Supervisors should be appointed. Each Supervisor would be the first point of contact for a group of 20 staff.
- The Team Managers would negotiate contracts on behalf of *BCL* and manage the Supervisors who report to them.
- The Supervisors would organise the work placements, plan workloads and communicate schedules to their team members. They would also support the development of their team members.
- Amanda would develop the long-term future of the business and coordinate the five Team Managers.

Figure 1: Extract from the Proposed Organisational Structure



2 (a) (i) Using **Item B**, describe **one** management role which Amanda would undertake if the plan is implemented.

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2 (a) (ii) Using **Item B**, describe **one** management skill which the new supervisors would need to make their role successful.

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Turn over for the next question

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

Item C
Essex Racing Services

Essex Racing Services (ERS) specialises in historic racing cars and was established by Jack Connell in 1985. It is a successful business, preparing old racing cars for clients who then drive them at race meetings.

The *ERS* team has only 16 staff of whom 13 are highly qualified and experienced engineers. The engineers both prepare cars for forthcoming race meetings and attend the race meetings to deal with any problems during the races. The team is well-established and loyal. Despite attempts from other companies to recruit them they have stayed with Jack, who trusts their judgement on how they organise their tasks.

Jack has now decided to retire and his daughter, Sue, who has left her job managing 130 staff in a large retail park, will take over the business. Sue's passion is racing and she is a successful weekend competitor. She admits that she is not good at fixing problems with the cars but thinks that the engineers should be able to fix immediately any faults with her car. She has a reputation for being short-tempered and impatient when things go wrong.

Sue thinks that the business could be more tightly controlled in order to cut costs and to increase profits. To do this, Sue wants to monitor the staff more closely by requiring engineers to complete a detailed work record for each job that they carry out. Her father has tried to warn her against treating the engineers in this way, especially as she is not an engineer herself, but Sue is not used to anyone challenging her.

Sue met with all of the staff last week to tell them about the planned changes. She was amazed when, despite explaining how this would make the business more profitable and, therefore, more able to survive, some of the staff told her that they did not agree with her changes and then left the meeting.



3 (a) Using **Item C**, describe the type of power which Sue is proposing to use to manage the business.

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3 (c) Select and justify a leadership style which Sue could adopt to ensure that she keeps the engineers at *ERS* happy and committed to the business.

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END OF QUESTIONS

