



**General Certificate of Education (A-level) Applied
June 2011**

Applied Business

BS12

**(Specification
8611/8613/8616/8617/8619)**

Unit 12: Managing People (External Test)

Mark Scheme

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 events which all examiners participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for standardisation each examiner analyses a number of students' scripts: alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, examiners encounter unusual answers which have not been raised they are required to refer these to the Principal Examiner.

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

1

Total for this question: 28 marks

1 (a) (i) Explain what is meant by a paternalistic style of leadership. (2 marks)

Relevant answers might include the following:

- a paternalist is in control of staff / makes all decisions (1), but believes in trying to look after them / cares for their welfare (1).

1 (a) (ii) Explain why Magda uses a paternalistic style of leadership to manage the students. (6 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains why a paternalistic style helps the business to manage the students.	6–3	AO2
1	Demonstrates understanding of a paternalistic style of leadership.	2–1	AO1

A paternalistic style allows the business to:

- keep a close watch on how staff do their work and to give them instructions which is important for quality and performance
- staff will feel that they are looked after which is important as, for many, this is the first time away from home
- provide social facilities to keep the staff happy
- manage a short-term workforce who will not be very experienced.

1 (b) Using **Item A**, analyse the difference in the factors motivating the students and the sales team. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how the factors which motivate the sales team differ from those which motivate the students.	8–6	AO3
2	Explains factors which motivate students and/or sales team.	5–3	AO2
1	Identifies factors which affect motivation.	2–1	AO1

The sales team were motivated by:

- being able to manage their own workload
- making their own decisions and having responsibility for their area of the business
- working in a small team
- the lack of tight supervision
- being rewarded for good performance and achievement.

The students were motivated by:

- the chance to earn money quickly
- living in a lively community with other students and meeting new friends
- in the case of overseas students, learning English and seeing parts of England
- being looked after by the business.

Students can use any appropriate motivational theory including Maslow, Herzberg and McGregor to support their answers.

1 (c)	<i>Why does Magda need to modify her leadership style to successfully manage the sales team? Use Item A to justify your answer.</i>	<i>(12 marks)</i>
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Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to analyse how modifying her leadership style affects staff.	5–4	AO3
2	Use Item A to explain how her leadership style affects staff.	3–2	AO2
1	Identifies the impact of leadership style on staff.	1	AO1

Trying to manage the sales team in the same way as seasonal staff may cause problems because:

- the sales team would not be as motivated by short-term financial gain
- they would also want more career development and the chance to contribute ideas to the business
- they would want a less directive management style and would not need as much supervision
- they are likely to be less interested in social events as they will have their own personal lives and be settled in the area.

Magda therefore needs to modify her style so that it:

- is less directive
- allows full-time staff more autonomy.

Thus a more participative or consultative style would help.

See next page for Evaluation grid.

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

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

Judgement is being made on why Magda needs to change her leadership style to manage successfully.

To access Level 3, judgement must be made regarding the management of the sales team.

Level	Descriptor	Marks	Assessment Objective
E3	Offers judgement with weighted justification. 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.	7–6	AO4 and Quality of written communication
E2	Offers judgement with supported justification. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

2

Total for this question: 26 marks

2 (a) (i) Describe the type of decision Tom has to make to reduce the seasonal workforce. (2 marks)

Relevant answers might include the following:

- it is a strategic decision (1) as it is a major change for the business (1)
- it is a proactive decision (1) as it is anticipating and/or responding to an expected future situation (1)
- it is a non-routine decision (1) as it is not a decision that would be made on a day-to-day basis (1).

1 mark for identification and **1 mark** for feature.

2 (a) (ii) Identify and explain a decision-making technique that Tom might find useful in deciding whether to invest in the automated production line. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains the relevance of a decision-making technique.	4–2	AO2
1	Identifies a relevant decision-making technique.	1	AO1

Relevant answers might include the following:

- decision trees could be used to look at the consequences of investing in the production line
- CPA could be used to decide the feasibility of installing the automated production line within the time scale available.

2 (b) *Identify the management skills Peter would **most** need if Tom invested in the automated production line. Use **Item B** to explain your answer. (6 marks)*

Level	Descriptor	Marks	Assessment Objective
3	Explains the importance of the skill(s) in context.	6–4	AO3
2	Describes the skill(s) in context.	3–2	AO2
1	Identifies skill(s) needed by managers.	1	AO1

Relevant answers might include the following:

Peter would need:

- technical skills to manage the new equipment
- communication skills to work with the small team of technicians and potentially the machinery suppliers to make sure the equipment performed well
- organisational and interpersonal skills to manage his team well as the whole performance of the business would be very dependent on the team's performance.

Students can argue for any skill in context.

2 (c) *To what extent would Peter's management responsibilities need to change if Tom invested in the automated production line? Use **Item B** to justify your answer.* (14 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how the investment could change Peter's management responsibilities.	7–5	AO3
2	Explains management responsibilities in context.	4–3	AO2
1	Identifies management responsibilities.	2–1	AO1

Relevant answers might include the following:

If Tom invested in the automated production line, Peter's management responsibilities would change because he would be managing many fewer staff, but the production efficiency would be very dependent on the ability of this smaller team to be effective.

This means that Peter's role and responsibilities would change as follows:

- the number of staff to monitor and evaluate would reduce substantially, but he would have to monitor and evaluate the performance of the automated production line and the technicians who maintain it
- rather than having to plan the working roles of hundreds of staff, he would have to manage a much smaller team of technicians to ensure they could keep the line running
- he would need to report to Tom on how the line was working and how effective his team were in maintaining it to get high output
- the number of staff to organise would reduce substantially, but he would be very dependent on a small number of staff to ensure the machines worked effectively.

See next page for Evaluation Grid.

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

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

Judgement is being made on the extent to which management responsibility will change.

Level	Descriptor	Marks	Assessment Objective
E3	Offers judgement with weighted justification. 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.	7–6	AO4 and Quality of written communication
E2	Offers judgement with supported justification. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

3

Total for this question: 26 marks

3 (a)	<i>Using Item C, describe the type of power which Johnny is using to manage the hotel.</i>	<i>(4 marks)</i>
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Level	Descriptor	Marks	Assessment Objective
2	Describes use of power in context.	4–3	AO2
1	Demonstrates understanding of types of power.	2–1	AO1

Relevant answers might include the following:

- students to select and describe an appropriate type of power from legitimate (position) or coercive
- Johnny points out that he is the boss and can force staff, if necessary, to do what he wants.

3 (b)	<i>Using Item C, analyse how Helen should manage her staff to increase sales.</i>	<i>(8 marks)</i>
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Level	Descriptor	Marks	Assessment Objective
3	Analyses how Helen can manage her staff to increase sales.	8–6	AO3
2	Describes methods Helen might use to manage her staff.	5–3	AO2
1	Identifies ways to manage staff.	2–1	AO1

Relevant answers might include the following:

To increase sales, Helen needs to ensure her staff:

- are motivated and keen to drive the business forward, but this may be difficult with the situation at the business
- understand that the boss has told her that they can invest in new equipment only if they increase sales, this may help to encourage staff to try to increase sales
- feel that it is important to their future for the health spa to be successful.

3 (c) *To what extent is Johnny’s approach to managing the business necessary if he is to achieve his aims? Use **Item C** to justify your answer. (14 marks)*

Level	Descriptor	Marks	Assessment Objective
4	Analyses the effect of Johnny’s approach on staff performance.	7–6	AO3
3	Explains how Johnny’s approach might affect staff.	5–4	AO2
2	Describes the effect of Johnny’s approach on the staff.	3–2	
1	Identifies some factors which affect business success.	1	AO1

Relevant answers might include the following:

If Johnny wants to sell the hotel again, he must restore profitability to be able to do this:

- Johnny’s approach is focused on keeping costs down and this may have a positive impact on profits in the short term if income can be sustained
- however, Johnny’s approach is demotivating staff which will have a detrimental impact on performance and thus reduce profitability
- if staff start to leave the business this may reduce costs but if it upsets customers this could be detrimental
- if the lack of investment and staff unhappiness also leads to customers using other health spas it could reduce income by more than the costs saved.

There is no clear cut answer. Johnny’s focus on cutting costs may help to restore profitability but only if it does not lead to big falls in staff performance or customer interest in buying services from *Bennington Hall*. If he has a demotivated workforce who have upset the customers (as suggested in **Item C**), he may not therefore be able to achieve his aims for the business.

See next page for Evaluation Grid.

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

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

Judgement is being made on the possible impact of Johnny's approach to managing the business.

Level	Descriptor	Marks	Assessment Objective
E3	Offers judgement with weighted justification. 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.	7–6	AO4 and Quality of written communication
E2	Offers judgement with supported justification. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

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