

A-LEVEL

APPLIED BUSINESS

BS12 Managing People
Mark scheme

8610
June 2014

Version v1.0 Final

Mark schemes are prepared by the Lead Assessment Writer 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 associates 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 associate understands and applies it in the same correct way. As preparation for standardisation each associate 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, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this Mark Scheme are available from aqa.org.uk

ADDITIONAL GUIDANCE FOR MARKING SCHEME

	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) *Explain why the type of decision Alison made in producing the plan for BCA was a strategic one.*

[4 marks]

Level	Descriptor	Marks	Assessment Objective
2	Explains one reason why the decision Alison made was strategic.	4–3	AO2
1	Demonstrates an understanding of strategic decisions.	2–1	AO1

Knowledge and Application

- *strategic decisions address long-term goals and set the direction of businesses*
- *taken by higher levels of management within an organisation and carry higher levels of risk than tactical decisions*
- the decision was strategic because it will have long-term impacts on BCA and is a major change to how it is run and will not be easy to reverse:
 - involves redundancies and pay freezes, representing a decision which only senior managers could make
 - would have a major impact on volunteers by reducing expenses and stopping free training of volunteers.

1 (b) Using **Item A**, analyse why the plan to reduce annual running costs might affect the motivation of the volunteers at BCA.

[9 marks]

Level	Descriptor	Marks	Assessment Objective
3	Uses item A to analyse why BCA's volunteers might have been demotivated by the changes proposed.	9–8	3
2	Explains the possible effects of the proposed changes on volunteer motivation for BCA	7–4	2
1	Demonstrates an understanding of factors which affect motivation.	3–1	1

Knowledge and Application

- *factors affecting motivation of any employee described by a range of motivation theories, including 'Hierarchy of Needs', 'Two Factor Theory' and 'Theory X and Y'*
- financial factors - loss of some expenses and access to training affecting basic motivation, eg BCA volunteers may have to pay their own expenses to get to BCA which they may see as unfair
- non-financial factors - reduced training means volunteers may lack the skills needed to do their work with the arts projects and result in demotivation, eg the volunteers will not gain skills which they can use either at BCA or elsewhere.

Analysis

- the changes are both unsettling to the volunteers, as well as directly affecting their conditions and future employment, and may affect their trust in BCA
- volunteers' motivation is likely to be most affected by the ending of free training which, through both Maslow and Herzberg, can be seen as removing the potential of volunteers to increase satisfaction and successfully carry out future roles/activities

1(c) *Bill believes that if Alison improves her management skills she will be able to get BCA's staff and volunteers to successfully implement her plan.*

*To what extent do you agree with Bill? Use **Item A** to justify your answer.*

[15 marks]

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to analyse how an improvement to Alison's communication/interpersonal skills could help to successfully implement the plan.	8–6	AO3
2	Uses Item A when explaining how Alison might use her management skills.	5–3	AO2
1	Demonstrates an understanding of skills of effective management.	2–1	AO1

Knowledge and Application:

- *range of skills possessed by effective managers, including technical, communication, organisational and interpersonal*
- communication skills could be used by Alison to engage staff and volunteers in a discussion about the need for the overall plan, the reason why each component of the plan was chosen and why other options were rejected, eg instead of just 'telling' the staff and volunteers, she could share information with them and help them to see the reasons behind the choices
- interpersonal skills could be used by Alison to see that people and teams are just as important as the tasks that have to be carried out, eg to be receptive to the feelings and opinions of staff and volunteers rather than rejecting their complaints out of hand.
- Organisational skills that Alison has used are the targets that she has set (cut costs by £40,000) and the need to create and effective team.
- Alison's has a wide range of technical skills such as her knowledge of the arts and events management. This is important to BCA to if they are to continue offering the services in the future.

Analysis:

- to have effective interpersonal skills it is important for staff to respect managers and unless Alison communicates the plan in detail and why it is needed the staff will simply feel it is imposed on them and may question why the cuts are needed and Alison's leadership
- there is a risk that the staff would still not accept the changes even after Alison has tried to communicate them and may try to stop them
- interpersonal skills could help Alison to overcome the resistance evidenced by Angie and Faisal and, more crucially, back the plan and its implementation given the fact that staff and volunteers will have to work at the same rate with fewer resources.
- If Alison is to cut funding for training she could coach & encourage the six full-time employees to train the part-time staff which would improve motivation and avoid conflict.
- The process is two way and as Alison is new the employees might have ideas how to implement change and deal with financial issues. This would improve her ability to manage and deal with any issues.

See next page for Evaluation.

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 skills are important for the successful implementation of the plan.

To access E3, judgement must be made on the relative importance of the skills of effective management.

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.	7–5	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.	4–3	
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	

Evaluation:

- it could be argued either that communicating the plan is the biggest problem and that staff will accept it if explained, or that the staff are actually more concerned about the actual changes proposed and simply communicating it better will still not persuade them to support the changes proposed
- in theory, the staff may well be more supportive of the cost saving plans if they feel that they have had input to the decisions made, and if Alison has the chance to explain in more detail why the changes are needed to safeguard BCA's future
- overall, it is essential that staff and volunteers support the plan, which is simply related to cutting costs rather than modifying the nature of BCA's work, and they will have to work at the same level with fewer resources – this probably requires 'goodwill' on their part and interpersonal skills could be argued as being essential for successful implementation.

2

Total for this question: 28 marks

2 (a) Using **Item B**, explain why Tina would have to carry out the management roles of monitoring **and** evaluating when launching BCA's commercial events. **[4 marks]**

Level	Descriptor	Marks	Assessment Objective
2	Explains Tina's management role(s) in context.	4–3	2
1	Demonstrates an understanding of management roles.	2–1	1

Knowledge and Application

- *management roles to include planning, organising, monitoring and evaluating activities, and reporting on outcomes of business*
- Tina's roles include:
 - planning how to set up and run the new division
 - organising the resources needed to successfully launch the new division and run events
 - monitoring and evaluating the events which the new commercial division runs to identify any changes or improvements which they need to make
 - reporting to the board on progress with the targets which have been set for the new division.

2 (b) Using **Item B**, analyse why the matrix organisational structure caused problems for Tina in managing the new commercial events.

[9 marks]

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse how using a matrix organisational structure caused problems for Tina.	9–8	AO3
2	Uses Item B when describing the use of a matrix organisational structure.	7–4	AO2
1	Demonstrates an understanding of a matrix organisational structure.	3–1	AO1

Knowledge and Application

- *coordination of staff and resources is important for successful management, and a matrix organisational structure with two divisions makes this hard to achieve*
- *staff having multiple bosses can cause conflict in the organisation*
- the two areas in the matrix at BCA are competing for the same organisational resources
- two separate managers without an overall boss means there is the potential for conflicting ideas on how BCA should be run and who gets the resources needed. This will result in one or the other will lose out and have to adopt different plans
- two sets of ideas on what BCA should be doing may lead to both parts of the organisation failing to deliver their potential and achieve Tina's objectives

Analysis:

- the two managers will spend time, as appears to be the case, fighting each other rather than delivering the services BCA wants to provide and this will make it hard for Tina to deliver her targets
- Alison does not seem willing to operate within a matrix structure and continues to see herself as the sole manager of staff and resources rather than accepting that cross-functional teams are required in the new structure.
- The staff would need to have some retraining as a result of the commercial events. But due to cut backs by Alison this may become an issue.
- As both Alison & Tina needs the employees this could cause the workers to be unsure about who to work for and to do which job. This could result in the standard of work reducing causing the commercial events to lose impact and the potential to raise finance.

2 (c) *Should the board keep the matrix organisational structure, as Tina suggests, or give Alison overall control of all activities? Use **Item B** to justify your answer.*
[15 marks]

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse how BCA's organisational structure could affect the ability of BCA to function.	8–6	AO3
2	Uses Item B when explaining how BCA's organisational structure affects the management of BCA.	5–3	AO2
1	Demonstrates an understanding of factors affecting the choice of organisational structure	2–1	AO1

Knowledge and Application:

- *organisational structures affect how and where decisions are made*
- *choice of organisational structure can impact on employee motivation*
- *it can impact on the efficiency of a business*
- Alison's proposal would:
 - simplify the management of BCA and ensure that all the resources were coordinated
 - allow a single manager to have the full overview of what BCA is doing (Chairman Bill)
 - cause Tina major concerns because she does not feel Alison understands what she is trying to do
- Tina's proposal would:
 - be simple to implement as long as Alison agreed to work with her and share the resources which BCA has. This would allow both managers to focus on their strengths and deliver the organisation's charitable objectives (Alison) and raise money to support this work (Tina).

Analysis:

- Alison's proposal may lead to Tina leaving which is a problem for the board as the initial evidence is that she has the skills to raise the money which it needs to continue its work
- Tina's proposal would still run the risk of a lack of coordination between the two divisions in the matrix and limit the ability of the organisation to grow.
- The board have already decided that Alison doesn't have the right skills to deal with the commercial events so giving her full control and authority they could lose Tina and her contacts which would result in little money coming in resulting in further cuts and job losses.
- Confusion amongst the staff about who is their manager and where decisions are made could cause the objectives of BCA to be missed resulting in further costs needing to be cut and the organisation to be closed. Therefore by giving Alison control it would give BCA a structure and someone to make the key decisions timely.
- By listening to Tina and keeping the matrix structure the option to split the workers into two teams with different projects and responsibilities is possible. This will give the company flexibility allowing the employees to use skills to best effect.

See next page for Evaluation.

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 whether BCA should adopt the solution proposed by Alison or Tina to solve the problems which have been occurring.

To access E3, judgement must be made on the relative importance of each solution.

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.	7–5	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.	4–3	
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	

Evaluation:

- Alison's solution has the merit of establishing the line management and would, in theory, allow for more rapid decision making
- however, Alison does not seem to share BCA's objectives and her solution does not seem to be in the best interests of the organisation
- Tina's solution does not resolve the current issue of a failed matrix organisational structure – nothing to suggest that the poor team work would not continue
- on balance, the matrix structure may well be essential but it has to be operated effectively, ie Alison and Tina need to cooperate and develop a shared ethos, without which BCA may well fail to achieve its growth objective.

3

Total for this question: 24 marks

3 (a) Using **Item C**, analyse why Tina found it difficult to use her power in the meeting she held to discuss corporate sponsorship at BCA.

[9 marks]

Level	Descriptor	Marks	Assessment Objective
3	Uses Item C to analyse why Tina's powers were insufficient.	9–7	AO3
2	Uses Item C when explaining Tina's / Alison's power.	6–3	AO2
1	Demonstrates an understanding of power.	2–1	AO1

Knowledge and Application

- sources of power include: coercive, reward, expert, legitimate and referent
- expert power derived from technical/experiential knowledge
- authority is a formal right given to a manager, but power relates to a personal ability to influence people/events
- Tina has expert power in this situation given her experience in the corporate world
- Tina also has the potential for referent power, given Alexander's regard of her abilities, but lacks this in respect of BCA staff
- Tina appears to lack legitimate power in that the matrix structure persists and it does not seem that she has been, as Alexander believes, promoted
- Tina may well possess reward power given her new role as manager of corporate sponsorship (favouritism, future promotion, freebies)
- as with any manager, she will have a degree of coercive power but the matrix structure could also dilute this.

Analysis

- in this situation of considerable change, the uncertainty regarding her coercive, legitimate and reward power would put Tina in an extremely difficult position where she will find it difficult to use her expert power in respect of corporate sponsorship – the presence of a matrix organisational structure means that Alison can always use her own referent and expert power to undermine Tina
- the change itself would seem to be at odds with the ethos of staff and volunteers – the idea of receiving money from 'cheating bankers' apparently was sufficient to collapse the meeting and block any possibility of reasoned discussion; in addition, the fact that she had prepared so much material in advance (displaying her expert power) was possibly read by the staff and volunteers as bordering on using coercive power which Tina lacks.
- Tina's promotion and subsequent pay rise could be seen at the detriment of BCA's staff's expenses and training. This will cause any suggestion Tina makes being ignored by BCA's staff.
- Alison has used coercive power in the past so her role and fear she possess causes angst amongst the staff which results in the staff agreeing with her and any suggestion by Tina is going result in her establishing any authority in the meeting.

3 (b) *What leadership styles do you think that Tina should use if she is to successfully meet her responsibility of managing corporate sponsorships? Use **Item C** to justify your answer.*

[15 marks]

Level	Descriptor	Marks	Assessment Objective
3	Uses Item C to analyse the factors influencing Tina's choice of leadership style.	8–6	AO3
2	Uses Item C when explaining features of Tina's current or future leadership style(s).	5–3	AO2
1	Demonstrates an understanding of leadership style(s).	2–1	AO1

Knowledge and Application:

- *leadership styles to include: autocratic, paternalistic, laissez-faire, democratic and participative*
- *each leadership style is appropriate in given circumstances defined by employee/manager personalities, organisation resources, organisational structure and external environment factors*
- Tina would appear to have adopted a number of leadership styles – at times autocratic in relation to Alison, at other times democratic/participative as illustrated by her attempt at an open discussion regarding corporate sponsorship at BCA
- Tina could not really be described as being paternalistic, having no real referent or coercive power in the organisation, and it would also be difficult to describe her past/current style as being laissez-faire (she would seem to want to control events)
- styles she might want to adopt/continue to use would, given the scenario, include democratic/participative
- autocratic is tempting for Tina – she needs to get on with things and must provide the supermarket with positive public relations.

Analysis:

- the situation facing Tina could be described as 'difficult!' She would seem to have miscalculated the extent to which her democratic and participative style of leadership can overcome objections to corporate sponsorship
- her success in the 'corporate world' – as evidenced by Alexander's regard of her – has not translated into her current situation which is hostile to her responsibility of managing corporate sponsorship at BCA
- her working relationship with Alison would seem to have completely broken down and very little can be achieved, given the matrix structure, unless she mends this
- whilst she has very specific pressures to succeed (given the new responsibility and Alexander's expectation that he will get positive public relations), but this cannot be achieved without the support of Alison and the other staff and volunteers (who seem to respect Alison): Alison is the key.
- The three sponsors for £15,000 each makes up for the cut backs made so essentially makes Alison's decisions worthless but would ultimately improve staff motivation. This is an example of paternalistic leadership style as her decision will enable the business to continue to run without the need to cut costs.

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 Tina's choice of leadership style given her responsibility as manager of corporate sponsorship.

To access E3, judgement must be made on the relative suitability of different leadership styles.

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.	7–5	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.	4–3	
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	

Evaluation:

- Tina might be tempted to just go ahead regardless of the failed meeting – adopting an autocratic approach – but this simply would not work given the nature of BCA and its organisational structure
- Tina has to adopt a democratic/participative style without giving power completely to Alison and this would seem to be the main difficulty she has in 'rethinking' her leadership style
- to succeed, Tina needs to gain a degree of respect from staff and volunteers and she needs to develop a working relationship with Alison – this, given her position, is only likely to be achieved through inviting staff/volunteers to participate and through establishing a democratic relationship with Alison.