

Version 2.0



**General Certificate of Education
January 2011**

**Applied Business
Managing People
Unit 12**

BS12

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 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 candidates' 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 candidates' 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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Set and published by the Assessment and Qualifications Alliance.

	Assessment Objectives
	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
Quality of Written Communication	<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"> • 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: 26 marks

1 (a) <i>What is meant by a flat organisational structure (line 7)?</i> (2 marks)
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Relevant answers might include the following:

- a flat organisational structure is one with few layers of management (1) and a wide span of control (1)
- Bill is the only manager (1) and there are no layers of junior managers (1).

1 mark for identification and 1 mark for development.

1 (b) <i>Using Item A, explain why Bill initially found it easy to recruit staff.</i> (4 marks)
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Level	Descriptor	Marks	Assessment Objective
2	Explains why staff would want to work at the business.	4–3	AO2
1	Identifies reasons why it is easy to recruit staff.	2–1	AO1

Relevant answers might include the following:

- the business paid better wages than the competitors
- the range of other employment available was limited
- the business was successful and expanding.

1 (c) <i>Using Item A, analyse how Bill's leadership style affects his ability to retain staff.</i> (8 marks)
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Level	Descriptor	Marks	Assessment Objective
3	Analyses how Bill's leadership style affects staff retention.	8–6	AO3
2	Describes how Bill's leadership style affects staff.	5–3	AO2
1	Demonstrates understanding of leadership style(s).	2–1	AO1

Relevant answers might include the following:

- Bill's leadership style is very directive which can demotivate staff
- Bill's refusal to let staff make any decisions will also annoy staff, particularly the more able
- the fact that Bill's style leads to problems such as running out of stock will make staff jobs hard to perform.

These factors can act individually or collectively on individual staff but the cumulative effect is to reduce staff faith in Bill and hence his ability to retain staff.

1 (d) *To what extent are Richard Branson's opinions (lines 27 to 34) relevant to SET?*
Use **Item A** to justify your answer. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses relevance of Richard Branson's opinions to SET.	5–4	AO3
2	Describes relevance of Richard Branson's opinions to SET.	3–2	AO2
1	Identifies an aspect of Richard Branson's opinions.	1	AO1

Relevant answers might include the following:

- are potentially relevant to the problems facing SET because his approach to leadership suggests a change of style which may help to address the problems the business has with staff retention
- may, however, be very hard to implement as it would require a complete change in Bill's leadership style which he may find very hard to accept or implement.

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
E3	Makes a reasoned judgement about whether Richard Branson's opinions are relevant to SET. 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	Judges whether Richard Branson's opinions are relevant to SET. 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	Judges, with limited evidence, whether Richard Branson's opinions are relevant to SET. 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: 24 marks**

2 (a) Using <i>Item B</i> , explain two functions of the new managers. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains how these functions relate to the new managers role in the business.	4–3	AO2
1	Identifies function(s) of a manager.	2–1	AO1

Relevant answers might include the following:

- planning
- organising
- monitoring and evaluating
- reporting on outcomes of business activities.

The new managers are likely to focus on organising and monitoring given the roles set out for them, although it can be argued they may plan (eg staff or orders) and report to Bill on what has been achieved.

2 (b) Using <i>Item B</i> , analyse why some staff are demotivated. (8 marks)

Level	Description	Marks	Assessment Objective
3	Analyses factors demotivating staff at <i>SET</i> .	8–6	AO3
2	Describes ways in which staff at <i>SET</i> are demotivated.	5–3	AO2
1	Demonstrates an understanding of motivation.	2–1	AO1

Relevant answers might include the following:

- the staff who did not get the chance to apply for promotion will feel they have missed out
- the staff who fail to be promoted will similarly feel they were passed over
- some staff may feel annoyed that the new managers are being paid more than them
- it is possible that they are not sure who their boss is, especially in the early days of the new managers being in post. It is likely that some staff will not be sure whether to listen to Bill or the new manager
- if the new managers have yet to build up their authority in the eyes of the staff, taking a hard directive line with staff is unlikely to work well.

2 (c) *How might the new managers deal with the problems caused by the lack of motivation shown by some of the staff? Use **Item B**, to support your answer.*
(12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses actions the new managers could take to address motivation issues at <i>SET</i> .	5–4	AO3
2	Describes actions the new managers could take to address motivation issues at <i>SET</i> .	3–2	AO2
1	Identifies how any manager can address demotivated staff.	1	AO1

Relevant answers might include the following:

- the new managers need to find ways to build staff commitment to the business
- it appears the problems relate both to staff trust in the new managers as well as longer term issues with the lack of involvement and rewards staff felt when managed directly by Bill
- to increase the staff's trust in their manager, the managers will have to show that they are working to address the concerns the staff have (this may be hard given the history of the business). They also have to show that they deserve their management role and higher rewards for the job they are doing – in essence, they have to show they are a good and fair manager
- addressing the longer term problems may be more challenging unless Bill allows the new managers to involve their staff more in decision making, starts to recognise performance with promotion and rewards and stops being so directive.

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
E3	Makes a reasoned judgement as to how the new managers could address demotivation. 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	Judges how the new managers could address demotivation. 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	Judges, with limited evidence, how the new managers could address demotivation. 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: 30 marks****3 (a)** Using **Item C**, describe what is meant by a 'matrix structure' (lines 23 to 26).

(4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Describes features of a matrix structure in context.	4–3	A02
1	Identifies feature(s) of a matrix structure.	2–1	AO1

Relevant answers might include the following:

- a matrix structure means that staff from different functional areas, eg packaging, dispatch, work together in a team to manage the whole production process
- at *Cranley Foods Ltd* this would be a change from the current system.

3 (b) Using **Item C**, explain why relying on statistical process control was not sufficient to ensure that the teams met their targets.

(6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains why statistical process control may not, on its own, cause <i>Cranley Foods Ltd's</i> targets to be achieved.	6–5	A03
2	Describes problems caused by <i>Cranley Foods Ltd's</i> use of statistical process control.	4–2	A02
1	Identifies a feature of statistical process control.	1	AO1

Relevant answers might include the following:

- statistical process control is being used quite bluntly within the business without much support from management
- staff would like more management engagement in ensuring that one team's problems do not adversely affect other teams' performance
- staff are unhappy that they are paid based on statistical process control even when the performance on which they are measured is beyond their control, and once staff start to distrust the system this will lead to more problems
- without addressing the whole production process from start to finish the statistical process control approach was bound to cause problems.

3 (c) Using **Item C**, explain how a matrix structure could be used to improve the way the teams work together. (8 marks)

Relevant answers might include the following:

- a matrix would mean that different functions work together in the same team, ie for one particular product, to see it all the way from basic ingredients to transport to customers
- if the different staff functions (eg production, packaging) work together there would be greater coordination when they hand over the product from one function to the next
- by working together the matrix teams may be able to solve current problems.

Level	Descriptor	Marks	Assessment Objective
3	Explains how a matrix structure could improve the way the teams work together.	8–6	AO3
2	Uses Item C to describe how teams work together in a matrix structure.	5–3	AO2
1	Demonstrates understanding of how matrix structures work.	2–1	AO1

3 (d) Do you agree with Lucy's **or** Barry's suggestions on the best way to improve the management of *Cranley Foods Ltd* (lines 23 to 31)? Use **Item C** to justify your answer. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains the impact Lucy's or Barry's suggestions may have on the business.	5	AO3
2	Describes how Lucy's or Barry's suggestions may affect the business.	4–2	AO2
1	Identifies impacts of Lucy's or Barry's suggestions.	1	AO1

Relevant answers might include the following:

- Lucy's suggestion is based on matrix management and would work if the teams can find a way in the matrix to work together better to hand over the products from one function to the next
- however, matrix management can be complicated and staff can find it hard with two reporting lines to the functional team and the product teams in which they are based
- Barry's suggestion is that the problem is simply caused by using statistics rather than relying on old fashioned discussion between the team managers which he thinks can solve the problem
- Barry's suggestion assumes that the different managers have the skills to resolve all the problems and also assumes that the business will run more smoothly if they do not have to set targets and keep statistics on performance – neither of these is guaranteed.

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
E3	Makes a reasoned judgement about whether Lucy's or Barry's suggestion is most likely to work to improve the management of <i>Cranley Foods Ltd</i> . 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	Judges whether Lucy's or Barry's suggestion is most likely to work to improve the management of <i>Cranley Foods Ltd</i> . 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	Judges with limited evidence whether Lucy's or Barry's suggestion is most likely to work to improve the management of <i>Cranley Foods Ltd</i> . 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	