



**General Certificate of Education (A-level) Applied
January 2012**

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 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.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of candidates' 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.

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	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: 28 marks

1 (a) (i) Explain what is meant by 'reactive decisions' (line 9). (2 marks)

Definition: Reactive decisions are made once an event has occurred and you need to respond to it. In this case, *Clean Up Ltd* can never fully plan for how an accident may occur and in dealing with it there will always be decisions to be made which depend on the situation.

1 mark for identification and **1 mark** for development or application.

1 (a) (ii) Explain why *Clean Up Ltd* needs to use both proactive decision making and reactive decision making to deal with incidents. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item A to explain why <i>Clean Up Ltd</i> needs to use proactive and / or reactive decisions to deal with incidents.	4–3	AO2
1	Identifies features of proactive and reactive decision making.	2–1	AO1

Relevant answers might include the following:

Clean Up Ltd would need to use both types of decision because they need to:

- try to prepare for all eventualities, ie to anticipate and plan proactively
- but will always have to change their plans once they are actually working on an operation, ie to react to situations as they arise.

1 (b) Using **Item A**, explain why the new training contract might motivate some of the staff at Clean Up Ltd. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item A to analyse how the change in job role could motivate staff.	8–6	AO3
2	Uses Item A to describe how the change in job role could motivate staff.	5–3	AO2
1	Identifies factors affecting motivation.	2–1	AO1

Relevant answers might include the following:

Some staff could be motivated by the new training contract because:

- it would allow them to learn new skills, meet new people and develop new career opportunities
- this may allow them to grow in their role, skills or confidence
- it will potentially increase their long-term income or rewards, lead to career progression or the opportunity to demonstrate their expertise to others thus promoting their self esteem and fulfilling their potential.

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

1 (c)	Should Matt be concerned about the threats of some of his staff to resign? Use Item A to justify your answer.	(14 marks)
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Level	Descriptor	Marks	Assessment Objective
3	Analyses how staff resignations would affect the business.	7–6	AO3
2	Explains how staff resignations could affect the business.	5–3	AO2
1	Identifies some impacts of staff resignation.	2–1	AO1

There are advantages and disadvantages if staff resign.

Advantages might include the following:

- if those who do not want to deliver training leave, this may allow Matt to employ staff who like working in the new market *Clean Up Ltd* has identified
- it will reduce costs and mean that Matt can avoid having too many staff doing work for which there is a shrinking market.

Disadvantages might include the following:

- it may be hard to make the new direction of the business work if the staff are not committed to it
- he would lose the advantage of having experienced practitioners teaching which he feels makes the training courses more valuable
- it may be hard to replace staff with specialist skills
- a series of resignations may upset all staff and cause major disruption to the business
- the staff that leave may set up in competition to Matt or join a rival company.

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.

Judgement is being made on whether Matt should be concerned about staff threatening to resign.

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: 24 marks

2 (a) Using **Item B**, explain the type of power being used by Matt Davies. (2 marks)

Matt is mainly using power based on his legitimate, position or referent position in the business. As boss, he may also use coercive, expert or reward power.

1 mark for identification and **1 mark** for development or application.

2 (b) Analyse why Matt adopted an autocratic leadership style in the situation described in **Item B**. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Uses Item B to analyse why Matt felt an autocratic approach was appropriate.	8–6	AO3
2	Uses Item B to explain why an autocratic leadership style maybe appropriate.	5–3	AO2
1	Identifies features of autocratic leadership.	2–1	AO1

Relevant answers might include the following:

- the situation was dangerous and needed decisive decisions to be made
- during an incident there is little time for discussion
- as manager Matt is responsible for Health and Safety
- Matt wanted to make sure the company's procedures were followed.

For these reasons Matt felt that it was important to have one boss who made all decisions quickly and efficiently.

2 (c) Do you think that Matt should adopt a *laissez-faire* style of leadership to make the most effective use of the Team Leaders' expertise? Use **Item B** to justify your answer. (14 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses whether Matt should use a <i>laissez-faire</i> style to utilise his Team Leaders' expertise.	7–5	AO3
2	Describes how a <i>laissez-faire</i> style may make use of Team Leaders' expertise.	4–3	AO2
1	Identifies features of a <i>laissez-faire</i> leadership style.	2–1	AO1

Relevant answers might include the following:

The advantages of a *laissez-faire* style in this situation are:

- this style allows team leaders to think for themselves, if they come across an unusual or unplanned problem, eg the chemical problem
- it can help to increase staff motivation
- it may avoid danger as Team Leaders are not blindly following orders.

The disadvantages of using a *laissez-faire* style are:

- there needs to be firm control because of the danger and emergency nature of the situation they are facing
- Matt is ultimately responsible for the safety of his staff and would want to ensure that safety procedures were followed to reduce the risks faced.

There is no correct answer and students can argue for or against Matt using a *laissez-faire* style of leadership.

See next page for Evaluation.

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.

Judgement is being made on whether Matt should use a laissez-faire style with the team leaders to use their expertise.

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: 28 marks

3 (a) Using **Item C**, explain how the type of decisions which Jack and Samita make will change now that they are directors of the business. (6 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains how the decisions they make will have changed since they became directors.	6–4	AO2
1	Identifies types of decision.	3–1	AO1

Relevant answers might include the following:

- before Emma's retirement Jack and Samita were team managers and their role was mainly concerned with managing staff – an organising role, which means they would be making tactical decisions
- when they became directors they would have assumed responsibility for planning, monitoring and evaluating and reporting on outcomes, which means they will now be making strategic, long-term and proactive decisions.

3 (b) Using **Item C**, analyse the effects of the changes to the organisational structure on Wetherby Associates Ltd. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how the changes to the organisational structure would affect the business or staff.	8–7	AO3
2	Describes the impact of the changes to the organisational structure on either the business or staff.	6–3	AO2
1	Identifies aspects of organisational structure.	2–1	AO1

Relevant answers might include the following:

The changes would:

- reduce management costs
- massively increase spans of control for the directors which may make it hard to manage all the staff
- reduce the opportunity for progression which may affect the motivation of younger or more ambitious staff
- mean that directors have more direct feedback from frontline staff thus improving the input of feedback into planning
- allow directors to speak directly to the staff so that messages are not confused or diluted by going through a series of managers.

3 (c)	<i>Recommend further changes that could be made to the organisational structure to improve the speed of decision making at Wetherby Associates Ltd. Use Item C to justify your answer.</i>	(14 marks)
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Level	Descriptor	Marks	Assessment Objective
3	Uses Item C to analyse how changes to the organisational structure would effect <i>Wetherby Associates Ltd.</i>	7–5	AO3
2	Uses Item C to explain how changes to the organisational structure would affect the operation of <i>Wetherby Associates Ltd.</i>	4–2	AO2
1	Identifies ways in which organisational structure affects businesses.	1	AO1

Relevant answers might include the following:

To improve the speed of decision making, *Wetherby Associates Ltd.*:

- needs to make sure that the directors and/or managers have enough time to cope with their span of control
- or that they allow staff more autonomy.

The changes to the organisational structure that may allow this include:

- by introducing managers to work with staff with the authority to make decisions, so that not everything waits for the directors to respond
- dividing the staff into small teams which self manage to reduce the need to consult managers or directors.

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.

Judgement is being made on whether changes to the organisational structure could improve the speed of decision making.

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	