



**General Certificate of Education (A-level) Applied
January 2013**

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.

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.

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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: 26 marks

1 (a) Explain why Rick uses a laissez-faire leadership style to manage the network of part-time staff. (5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains in context why Rick uses a laissez-faire leadership style.	5–3	AO2
1	Identifies features of a laissez-faire leadership style.	2–1	AO1

Relevant answers might include the following:

Rick uses a laissez-faire leadership style because:

- it allows staff to make decisions
- it reduces the need for management input
- Rick thinks this will motivate the staff as they can plan their own work
- Rick has used this style successfully with his existing staff.

1 (b) Using **Item A**, analyse the factors that de-motivate the part-time staff at WP. (9 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses why the part-time staff at WP are de-motivated.	9–7	AO3
2	Explains or describes factors which de-motivate the part-time staff at WP.	6–4	AO2
1	Identifies some factors which affect staff motivation.	3–1	AO1

Relevant answers might include the following:

The part-time staff are de-motivated because they:

- feel abandoned by Rick and that the company does not look after them
- cannot get answers to questions they ask management
- only get communicated with by booking forms, sent from the office
- are unsure of what they are meant to be doing because they are young, inexperienced and part time
- have a very erratic income because they are only paid when events are booked
- feel under pressure because they get no support.

This will have the effect of:

- reducing efficiency and effectiveness due to the lack of support and supervision
- may affect retention and commitment to the business.

Students can use any appropriate motivational theory to support their answers.

1 (c) Do you think that a change in leadership style would be sufficient to motivate the part-time staff at WP? Use **Item A** to justify your answer. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how changing his leadership style would affect Rick's staff.	5–4	AO3
2	Explains how Rick might need to change his leadership style.	3–2	AO2
1	Identifies ways in which leadership style can affect staff.	1	AO1

Relevant answers might include the following:

Rick could potentially improve motivation within the business by changing the leadership style used to:

- a more directive style so that staff have more support, supervision and direction from managers
- paternalistic or democratic/participative styles, all of which seek to provide more support and contact with staff than the current laissez-faire style
- autocratic style may be appropriate with younger staff who are inexperienced, but could create new problems with staff feeling they have no control and thus exacerbate the problems with motivation.

However, changing the leadership style alone may not address part-time staff de-motivation because:

- they would still be largely unsupervised unless Rick employed more managers
- the frustration of just being sent a booking form and then expected to organise the event would not change unless the company processes were also improved in addition to a change in leadership style
- a more stable income for the part-time staff would not be achieved just by changing the leadership style.

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 how Rick's leadership style would affect motivation of the part-time staff. To access E3, students need to assess the degree to which changing the leadership style will solve the problem with part-time staff motivation.

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) Using **Item B**, explain **one** reason why the staff have asked for monitoring and reporting to be improved at WP. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains why the staff wanted monitoring and/or reporting to be improved.	4–3	AO2
1	Identifies why monitoring and/or reporting are key management roles.	2–1	AO1

Relevant answers might include the following:

The staff wanted monitoring and reporting to be improved because they:

- admitted to being unsure on what they were meant to be doing and felt this would help to ensure processes were safe
- felt abandoned by managers
- were not sure who to report to.

2 (b) Using **Item B**, analyse how the introduction of branch managers might affect the speed and quality of decision making at WP. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how appointing branch managers would affect the speed or quality of decisions at WP.	8–6	AO3
2	Explains how branch managers may affect the speed or quality of decision making at WP.	5–3	AO2
1	Identifies factors which affect decision making.	2–1	AO1

Relevant answers might include the following:

- branch managers would allow staff to get feedback to queries faster because they would be much easier to consult
- staff would be able to speak to branch managers directly rather than having to try to phone Rick
- branch managers would know the issues the staff were facing at first hand and this would help to improve the quality of decision making as a result
- there may be inconsistency between different branch managers if Rick still had a hands-off leadership style which would affect the quality of decision making.

2 (c) *Recommend whether Rick should appoint three area managers **or** a branch manager in each of WP's nine branches. Use **Item B** to justify your answer.*
(14 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how appointing area managers or branch managers would affect the business.	7–5	AO3
2	Explains how appointing area managers or branch managers would affect the business.	4–3	AO2
1	Identifies the impact of appointing area managers and/or branch managers.	2–1	AO1

Relevant answers might include the following:

The use of nine branch managers (Zara's proposal) would:

- ensure there was a manager supervising every team so there was direct communication with all staff
- it may help to reduce accidents by improving monitoring, training and supervision
- it would speed up decision making.

However, it would also:

- increase costs substantially and this may prove to be a problem for profitability
- the organisational structure would have nine managers reporting to Rick which is a wide span of control and may still be challenging in terms of communication and information flow.

The suggestion of three area managers (Rick's proposal) would:

- help to keep management costs down at the business
- ensure each manager only had to manage three teams rather than the nine Rick is currently trying to do and thus it could improve the flow of information
- Rick would also only have three managers reporting to him which is relatively easy to communicate with and manage so should help decision making.

However, it would also mean that:

- staff in the branches still do not have access to a manager at all times, and thus the problems with supervision, monitoring and information flow may remain
- the branches may have to operate without a manager present which may cause problems with communication if any issues occurred.

There is no correct answer and students can argue for whichever change(s) to the organisational structure they think would help improve communication.

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 to appoint three area managers or a branch manager in each of the nine branches at *WP*. To access E3, students need to make a considered judgement which compares their selected option with the alternative.

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 why *Little Hale Holidays* has insisted on *AZE Builders Ltd* completing a CPA plan for the new development. (5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains how CPA could be used to manage the project.	5–3	AO2
1	Identifies features of CPA.	2–1	AO1

Relevant answers might include the following:

CPA can help the delivery of the contract by:

- managing timescales, costs and quality
- helping to determine early if the holiday homes will be built on time and within budget and, if not, identifying ways in which delivery can be ensured
- making sure the holiday homes are ready when the first customers arrive – *Little Hale Holidays* will want to have bookings in place in advance but would then have a big problem if the developments were not ready.

3 (b) Analyse how *Jane* may have to change her approach to management now that she is working for *AZE Builders Ltd*, which is a small business. (9 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how <i>Jane</i> may need to change her approach to management.	9–8	AO3
2	Explains why <i>Jane</i> may need to change her approach to management.	7–4	AO2
1	Identifies changes <i>Jane</i> could make.	3–1	AO1

Relevant answers might include the following:

***Jane* may need to change her approach to management because:**

- if *Jane* makes her own decisions without consultation it may have a big impact across the whole business
- as a small business, *AZE Builders Ltd* will not have the same level of delegation to project managers that *Jane* is used to
- the owner, *Zac*, expects to be involved in all major decisions because mistakes could have a direct impact on his profits
- *Jane* will therefore have to accept that her boss will be interested not only in the outputs she achieves but also the way in which she runs the project
- the project is very large relative to the scale of the business.

3 (c) *Recommend how Zac could empower Jane to ensure that AZE Builders Ltd delivers its contract on time while he still retains control of the business.*
*Use **Item C** to justify your answer.* (14 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how Zac could empower Jane and yet retain overall control.	7–5	AO3
2	Explains how Zac could empower Jane.	4–2	AO2
1	Identifies ways to empower staff.	1	AO1

Relevant answers might include the following:

To manage contracts successfully Zac must:

- allow Jane to make decisions and use her expertise for the benefit of *AZE Builders Ltd*
- allow Jane to manage the project budget and resources so that she can do the job she was appointed to do
- stop saying all decisions have to be made by him and that Jane has to agree every decision with him
- become less autocratic in his approach to the business.

To still retain overall control of the business Zac must:

- make sure that he sets clear reporting requirements for Jane so that she keeps him informed
- have regular meetings with Jane
- set out clearly which decisions she can make without consulting him, and areas in which she would first have to consult him.

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 how Zac could empower Jane without losing overall control of the business. To access E3, students need to make judgement on how to achieve the empowerment of Jane without losing control of 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	