OCR
RECOGNISING ACHIEVEMENT

ADVANCED GCE

APPLIED BUSINESS

Managing Risk in the Workplace

F257

Candidates answer on the question paper.

OCR supplied materials:
None

Other materials required:
None

Monday 24 January 2011
Afternoon

Duration: 2 hours

Candidate forename		Candidate surname	

Centre number						Candidate number				

INSTRUCTIONS TO CANDIDATES

- Write your name, centre number and candidate number in the boxes above. Please write clearly and in capital letters.
- Use black ink. Pencil may be used for graphs and diagrams only.
- Read each question carefully. Make sure you know what you have to do before starting your answer.
- Write your answer to each question in the space provided. Additional paper may be used if necessary but you must clearly show your candidate number, centre number and question number(s).
- Answer **all** the questions.
- Do **not** write in the bar codes.

INFORMATION FOR CANDIDATES

- The number of marks is given in brackets **[ ]** at the end of each question or part question.
- The total number of marks for this paper is **100**.
- Your quality of written communication is assessed in the question marked with an asterisk (*).
- This document consists of **20** pages. Any blank pages are indicated.

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Midland Print Limited (MPL)

Text 1

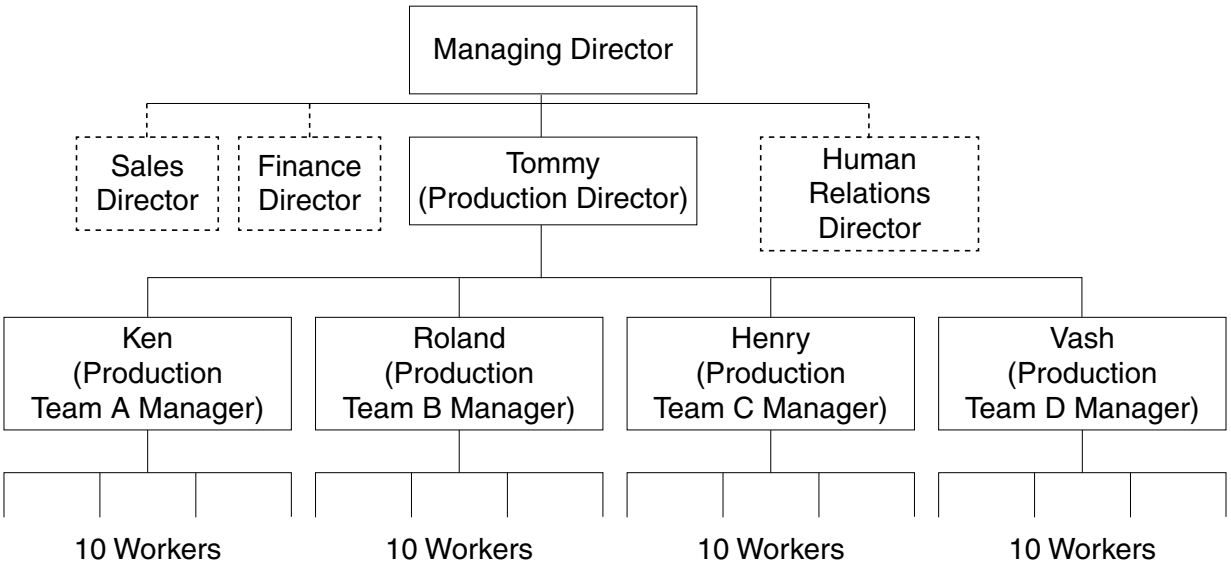
Midland Print Ltd (*MPL*) is a printing company based in the West Midlands. It has contracts with two large 'gossip' magazines, to print their products for sale in the UK market. The company employs 80 workers. The production department has a Director (Tommy), who is in charge of four rotating teams, each headed by a different team manager, which together cover a seven day week, **see Fig. 1**.

At the end of 2009 the Production Department at *MPL* had two printing machines: the GP10 and GP11. Each printing machine was controlled by a computer. Each team had responsibility for both machines, which had to be constantly manned and monitored during each 12 hour shift. The usual work pattern was that one worker spent three hours on the computers, whilst the other members of the team checked the actual print runs coming off the machines. After each three hours, the workers would change roles until the completion of that shift.

The Directors at *MPL* are aware of the dangerous nature of printing, and believe that they are fully aware of the relevant health and safety laws. Each worker was trained according to the Health and Safety at Work Act (1974) and the Management of Health and Safety at Work Regulations (1999). They were all provided with a health and safety handbook and were asked to adhere to the strict guidelines which are associated with such laws. Unfortunately, the Directors had overlooked the impact that display screen equipment could have on workers, if used for extended periods of time.

Indeed, it was during January 2010, that Ken (the Team A Manager) mentioned to Tommy that he was worried about the amount of time which workers were spending on the computers without breaks during their shift. He was particularly concerned that some of the older workers would suffer as a result. Tommy, however, was preoccupied with meeting production targets which were continually placed upon him by Davina, the then Managing Director. He, therefore, told Ken that the shift workers were 'old enough to look after themselves'.

Fig. 1



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1 Refer to Text 1.

(a) In the context of health and safety, what is meant by the term 'risk management'?

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(b) Describe **three** responsibilities which the **employees** of *MPL* have in minimising risk.

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(c) Explain **three** principles of the Management of Health and Safety at Work Regulations which could impact on the activities of *MPL*.

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(d) State **two** possible risks to employees associated with the use of display screen equipment.

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(e) Describe **three** consequences to *MPL* of it **not** managing risk effectively.

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[Total: 22]

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Text 2

At the beginning of February 2010, Ken's fears were materialising. Apparently one worker said he felt acute back pain and another had to be sent home with dizziness and nausea. "This is getting beyond a joke", Ken shouted. "I'm going to talk to Tommy."

Unfortunately, he didn't get the answer he wanted. Tommy insisted that, due to the increasing work load from Davina, he did not have the time to sort out the problem. Much to Ken's dismay, Tommy added that Ken would have to talk to the workers himself. With a heavy sigh, Ken walked out of Tommy's office and talked to his team about how to better organise their time on the computers. A few weeks later, and despite his talk to the staff, other complaints had surfaced, some of which were amongst other teams.

When some workers complained about suffering with high fever, sickness and diarrhoea, they were advised by their doctors to get blood tests. It transpired that they were suffering from Legionnaire's disease (a potentially life threatening bacterial infection, resulting from infected water). *MPL* was facing an outbreak. This could mean only one thing: an inspection from the Health and Safety Executive (HSE). Indeed, the next day, the HSE visited the premises and found that *MPL* had violated a number of health and safety laws, in particular the Workplace (Health and Safety and Welfare) Regulations (1992). The source of the problem was the toilets in the production department. The unsanitary conditions had created a breeding ground for bacteria. Ventilation was found to be outdated and poor, and the water system was contaminated. *MPL* was immediately closed until the problem was resolved.

In March, *MPL* re-opened, but during this time it had lost a lot of money. Davina called a meeting with the Directors and Shareholders, stating that, in order to recover from the recent problems everyone had encountered, they should consider getting an outside investor to buy shares in the company. "There's an American venture capitalist company, Maxacorp, which is willing to invest substantially in the company in return for a seat on the board and 50 percent voting rights", she proposed. As the meeting finished, everyone went away with mixed feelings about the proposal Davina had put to them.

2 Refer to Text 2.

(a) In the context of health and safety, what is meant by the term 'risk'?

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(b) State **two** principles of the Workplace (Health and Safety and Welfare) Regulations.

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(c) Describe **three** ways in which the Directors of *MPL* could have minimised the risk of an outbreak of disease occurring such as Legionnaire's disease.

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(d) Explain **two** workplace benefits which effective risk management could bring to *MPL*.

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(e) Evaluate the benefits and drawbacks to *MPL* of agreeing to Davina's proposal that some of the shares in *MPL* should be sold to Maxacorp.

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Text 3

In May 2010 all the Directors and Shareholders agreed to Davina's proposal. This meant that Maxacorp now had a very influential seat on the board of directors. Although *MPL*'s name would remain, big changes occurred after a matter of months. Maxacorp's bosses persuaded the existing Shareholders to dismiss Davina and replace her with one of their own employees from America, Crystal Ewing.

Immediately after her appointment, Crystal decided to refurbish *MPL*'s premises. This meant new paint for most of the building and a completely new toilet and shower block in the production department. Business would continue as normal, during the refurbishment in order that *MPL* should not lose any more money.

The refurbishment took a total of six weeks to complete. Everyone seemed happy with the changes which were taking place since Davina's dismissal. As Tommy had less work pressures under Crystal's management, he was able to become more involved in overseeing the activities of the production department. The Production Team Managers, especially Ken, were happy to see Tommy taking more interest in the printing of the magazines.

Crystal, however, was an ambitious Manager. During a monthly review meeting with Tommy, she started to think about how to take the business forward. Tommy raised the question of the reliability of the GP10 print machine. It had broken down for an average of ten days in each of the last six months. It was also slower and more expensive to operate than the GP11 model. Crystal then suggested that they should replace the GP10 with the new improved GP12 model. "But that's going to cost £40 million: double what we paid for the GP11 – and that was expensive!", blurted out Tommy.

"Oh come on Tommy, it'll be good for the company!", exclaimed Crystal.

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3 Refer to Text 3.

(a) During the refurbishment of the toilet and shower block, explain **two** workplace-related risks which would impact on the production workers of *MPL*.

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(b) (i) What is meant by the term 'strategic planning'?

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***(ii)** Evaluate the importance of strategic planning to *MPL* when deciding whether to replace the GP10 printing machine with the new GP12 model.

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Text 4

Until November 2010, Crystal had seemed to be making a positive difference to the running of *MPL*. The GP10 had been replaced with the newer model and production had increased on every shift. However, her thirst for profit started to show its ugly side.

Crystal was interested in cutting costs wherever possible, even if that meant losing staff. She mentioned in a meeting with Tommy that some of the older workers might want to consider early retirement. She also added that if they could streamline the business, it would give greater flexibility in the consideration of expansion into the lucrative newspaper printing market.

At their next weekly meeting, Crystal said excitedly, “There’s a well-known UK company which is interested in us printing its national tabloid newspaper. With a bit of cost cutting here and there, we could expand into a new market”, she added.

“But we are magazine printers not tabloid press. We haven’t got the resources or the knowledge for that kind of market!”, exclaimed Tommy.

After this meeting, Tommy relayed the information to the Production Team Managers, only to receive a frosty response. “If she does that”, said Roland, “there’ll be mayhem on the shop floor. The workers are loyal to the company, but if they feel they’re being fired just to break into the newspaper market, there will be trouble. By that I mean industrial action!”. Tommy pondered over the response. He knew the task of breaking the news to the production workers would be an unenviable one.

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4 Refer to Text 4.

(a) Explain **two** types of industrial action which the staff at *MPL* could take.

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(b) Explain **two** ways in which poor industrial relations may pose a risk to *MPL*.

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(c) Discuss whether or not *MPL* should expand into the newspaper market.

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[Total: 26]

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