

GCE

Business Studies

Advanced GCE

Unit F295: People in Organisations

Mark Scheme for June 2011

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All Examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the Report on the Examination.

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Question	Answer				Marks	Additional Guidance
1	Using Table 1, calculate the difference in pay for a BNL employee if the proposed piece rate system is introduced. (Assume an employee works 46 hours on the present pay system and is able to pack nine pallets an hour for 46 hours in the proposed piece rate system.)			[4]		
	£7.75 x 37 hrs	=	£286.75	(1)		
	£11 x 9 hrs	=	£ 99.00			
	Total pay for 46 hrs	=	£385.75 per week	(1)		
	Piece rate at £1 x 9 x46	=	£414.00	(1)		
	Difference (£414- £385.75)	=	£ 28.25	(1)		
	NB: If correct answer giver	awa	d 4 marks.			
2	NB: If correct answer given award 4 marks. Analyse two likely benefits to BNL of changing the method of payment to a piece rate system? Possible increase in productivity leading to a higher level of output which will allow BNL to meet its orders or any additional orders quickly, giving it a competitive edge. However, the piece rate is an average and, therefore, some employees may be worse off and leave, resulting in the need to advertise and recruit more staff at an additional cost to BNL. However, the benefit is that it can attract people who would be willing to accept such working arrangements. The change in pay assumes that all employees will want to work 46 hours a week in order to gain the additional income of £28.25 and, therefore, increase output, enabling BNL to increase its output and, therefore, meet the additional orders. The costs will be more directly related to the actual output of the employees. Easier to identify (in)efficient employees. Hard work is rewarded. ARA, which considers a positive implication for or a reaction of BNL, should be awarded L3 marks.		[6]	Ensure answers highlight benefits to BNL. Only one benefit analysed 5 marks. Only one benefit explained 3 marks. May award L2 for references to staff being motivated but for L3 candidates will need to highlight benefits of this to BNL.		

Question	Answer	Marks	Additional Guidance
	Level 3 Candidate demonstrates analytical skills when considering benefits for BNL of changing the method of payment.	[5-6]	
	NB: Analysis must be in context.		
	Level 2 Candidate demonstrates knowledge and understanding of the benefits of changing the methods of payments. No context required.	[3-4]	
	Level 1 Candidate offers only theoretical knowledge.	[1-2]	
3	Analyse <u>one</u> possible consequence for BNL if an employment tribunal upheld Bahadar's claim for unfair dismissal.	[6]	If Bahadar is reinstated, accept consequences such as causing
	Possible bad publicity for BNL which could affect its ability to gain further orders and hire new staff. Time out of the business for Jim and/or Gupta to 'defend' the claim against unfair dismissal. This would then have a negative effect on their ability to 'control' employees if absent at the tribunal. The cost of the time off work and the cost of any settlement if it was a case of unfair dismissal. An increase in costs would not help gain further orders or help to keep BNL competitive. (Although there are 'caps' on settlements issued by the tribunal it could still prove expensive and detrimental to the business.) ARA related to the implication for BNL.		disruption, may create a negative atmosphere.
	Level 3 Candidate demonstrates analytical skills when considering the consequences for BNL if an employment tribunal upheld Bahadar's claim for unfair dismissal.	[5-6]	
	Level 2 Candidate demonstrates knowledge and understanding for BNL if an employment tribunal upheld Bahadar's claim for unfair dismissal. No context required.	[3-4]	
	Level 1 Candidate offers only relevant theoretical knowledge.	[1-2]	

Question	Answer	Marks	Additional Guidance
4	Discuss whether it would be appropriate for Gupta and Jim to change their styles of leadership.	[13]	
	It is not clear exactly to what extent there is already in place a democratic leadership style, although Jim, especially and to a much lesser extent Gupta, do try to involve the employees and encourage them to use their initiative. Changing to an autocratic style would negate this and, therefore, may reduce a motivational force (Herzberg Hygiene factor) and subsequently lead to a possible reduction in output thereby making it harder to meet the large order. An autocratic style may mean less output if supervision is not in place. This style may lead to further difficulties with the workforce, which in turn may affect output. A less motivated/unsettled workforce may increase absenteeism and, therefore, add to BNL's recruitment costs and lower productivity. Accept paternalistic (Mayo).		Use of supportive theory ought to be well rewarded.
	Level 4 Candidate demonstrates evaluative skills when discussing whether it would be appropriate for Gupta and Jim to change their styles of leadership.	[9-13]	
	Level 3 Candidate demonstrates analytical skills when considering whether it would be appropriate for Gupta and Jim to change their styles of leadership.	[6-8]	
	Level 2 Candidate demonstrates knowledge and understanding of leadership styles. No context required.	[3-5]	
	Level 1 Candidate offers only theoretical knowledge.	[1-2]	

Question	Answer	Marks	Additional Guidance
5	Evaluate the main barriers to effective communication at BNL. The wide range of nationalities may lead to linguistic barriers. Technical – an inability to receive the message due to the noise. Semantic – an inability to understand the message and, therefore, not able to act accordingly. Effectiveness – has the communication been acted upon? Bahader appears not to have informed all staff about the meeting, but this could have been due to technical barriers (noise) or not catching everyone. There appears to be some lack of understanding as to what the meeting was about (semantic). Was the message sent in an appropriate manner? Words used, body language used? Such points could hamper effective communication; was an inappropriate medium was used (Bahader). Cultural differences? Did Bahader have a grudge and, therefore, affecting the manner in which the message was (if at all) communicated? Skill of sender, ability of receiver.	[13]	Reward correct usage of theory, eg Shannon & Weaver. If just discussion of barriers in a generic manner, maximum of L2. If candidates discuss a barrier and then suggest remedies to solve, this is an acceptable approach. However, if the answer only refers to remedies, do not accept.
	Level 4 Candidate demonstrates evaluative skills when discussing the barriers to effective communication at BNL.	[9-13]	
	Level 3 Candidate demonstrates analytical skills when considering barriers to communication at BNL.	[6-8]	
	NB: Analysis must be in the context.		
	Level 2 Candidate demonstrates knowledge and understanding of barriers to effective communication. No context required.	[3-5]	
	Level 1 Candidate offers only theoretical knowledge of effective communication.	[1-2]	

Question	Answer	Marks	Additional Guidance
6*	Considering human resources <u>and other issues</u> , should BNL introduce a system of employee participation? Justify your view.	[18]	Candidates referring to cost is sufficient for 'other issues'.
	An obvious way to improve motivation levels within BNL. Improved communication, better decision making, Consultation to comply with the law. However, slower decision making and, therefore, less productive and/or adding to costs. How to decide the format of the consultation can in itself create conflict. Who will be part of the participation process; which sections/departments within BNL should be involved? Will the participation 'fit' the style of leadership at BNL? Are the employees sufficiently trained, experienced, qualified to be involved? Will there be a lack of trust between management and the employees? Centralised to decentralised/empowerment? Have sufficient funds been invested in the process? Will sufficient time be allocated to the participation process to make it worthwhile? Much will depend on what sort of employee participation is put in place. Financial implication for BNL? Cost of participation? Outside/inside working hours? Marketing opportunities may be restrictive as there is no direct benefit of having employee participation (but better quality products due to motivated workers?). Production may increase and unit costs fall to counter increased costs of the participation scheme.		Candidates who write 'yes employees will be motivated' is not L3. To gain L3 candidates need a linked consequential implication or reaction.
	NB: An answer which only includes or does not include human resource issues should only be awarded the lowest mark in the appropriate level.		
	Level 4 Candidate demonstrates evaluative skills when recommending whether BNL should introduce an employee participation scheme. Complex ideas have been expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, have been well structured using appropriate technical terminology. There may be few, if any, errors of spelling, punctuation and grammar.	[13-18]	
	A one sided argument <u>cannot</u> achieve a Level 4 mark.		

Question	Answer	Marks	Additional Guidance
	Level 3 Candidate demonstrates analytical skills when considering implications of the possible employee participation scheme.	[7-12]	
	Relatively straightforward ideas have been expressed with some clarity and fluency. Arguments are generally relevant though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning.		
	NB: Analysis must be in the context.		
	Level 2 Candidate is able to apply relevant details of employee participation schemes. No context required. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive.	[3-6]	
	Level 1 Candidate offers relevant theoretical knowledge only. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive. Writing may also lack legibility.	[1-2]	

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