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Centre number

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Candidate number

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# Level 3 Certificate/Extended Certificate

## APPLIED BUSINESS

Unit 4 Managing and leading people

Monday 11 June 2018

Afternoon

Time allowed: 1 hour 30 minutes

### Materials

You will need no other materials.

### Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- Do all rough work in this book. Cross through any work you do not want to be marked.

### Information

- The marks for questions are shown in brackets.
- There are **two** sections to this paper.
- Both sections should be attempted.
- The maximum mark for this paper is 60. There are 40 marks for **Section A** and 20 marks for **Section B**.
- Candidates should spend approximately 60 minutes on **Section A** and 30 minutes on **Section B**.

For Examiner's Use	
Question	Mark
1	
2	
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<b>TOTAL</b>	

### Advice

- Please read each question carefully before starting.



J U N 1 8 A B S 4 0 1

IB/M/Jun18/E6

**ABS4**

**Section A**Answer **all** questions in this section.**Total for this section: 40 marks**For questions **01** to **04**, tick **one** box next to the correct answer.**0 1**Which one of the following is **not** a factor affecting the performance of a team?**[1 mark]****A** The culture of the organisation.**B** The use of force field analysis.**C** The resources available to the team.**D** The team members' personalities.

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1**0 2**Which of the following organisational structures is **most** likely to use project teams that are formed for specific tasks?**[1 mark]****A** A flat structure.**B** A hierarchical structure.**C** A matrix structure.**D** A tall structure.

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1

0 3

Read the **two** statements below and decide whether each is true or false. Then choose the correct answer below.

**Statement 1:** Increasing hourly pay rates to improve employee performance is an example of the use of a content theory of motivation.

**Statement 2:** Matching the reward for a task to the effort put in by an employee is an example of the use of a process theory of motivation.

[1 mark]

- A Both statements are true.
- B Both statements are false.
- C Statement 1 is true, statement 2 is false.
- D Statement 1 is false, statement 2 is true.

1

0 4

Read the **two** statements below and decide whether each is true or false. Then choose the correct answer below.

**Statement 1:** When using ADKAR, employees must receive reinforcement if organisational change is to be sustained.

**Statement 2:** Employee self-interest is always the most important factor resisting organisational change.

[1 mark]

- A Both statements are true.
- B Both statements are false.
- C Statement 1 is true, statement 2 is false.
- D Statement 1 is false, statement 2 is true.

1

Turn over ►



0 5

A retailer is considering closing some of its shops. Explain why reporting is an important role for managers in this business.

[3 marks]

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0 6

Explain **one** way that decentralising an organisational structure may lead to effective communication within a large business.

[3 marks]

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0 7

Explain **one** reason why the use of the Johnson & Scholes cultural web may improve employee motivation in a business.

[3 marks]

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3



**Turn over for the next question**

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ANSWER IN THE SPACES PROVIDED**

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**0 8**

Ailsa Craig owns and manages Inchcolm Consulting Ltd, a management consultancy business. Other businesses ask Inchcolm Consulting for advice when:

- facing financial or other problems
- planning and implementing major organisational change.

Ailsa’s employees are experts in one or more aspects of management, including finance, tax and marketing. Different teams are assembled, following discussion, to meet the varying needs of clients. Teams elect a leader for each job – a role which is valued.

The teams enjoy working together, discussing problems and issues and using their expertise to assist the company’s clients. A senior employee, whose views are typical, said, “We love our work. We make decisions on our own and want to provide top quality advice. It is great when customers recognise your skills and Ailsa is good at praising our work too.”

Ailsa’s leadership style allows her teams to perform independently within agreed limits. She chose this leadership style to suit the motivational needs of her team.

Analyse how the motivational needs of Ailsa’s teams influenced her choice of leadership style.

**[9 marks]**

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0 9

Gigha Ltd employs over 7000 people in a large factory. The factory has four divisions manufacturing dishwashers, fridges, microwaves and washing machines.

The company has operated a 'tall' organisational structure with eight levels of hierarchy. Employees have complained about poor communication and a decision has been made to change to a flat organisational structure with four levels of hierarchy.

Rowan, a senior manager.	"I have no contact with anyone who works on the factory floor – ever!"
Asha, a supervisor on a production line.	"We get instructions from 'the top', but don't discuss them or to talk to people in other divisions."
Ross, a shop floor worker.	"It is frustrating not to talk to managers and give my point of view."

Using a flat organisational structure will result in significant changes.

- A large number of experienced middle managers will lose their jobs.
- Senior managers will have a much wider span of control but will spend time each day on the factory floor.
- Teams will be used on all the production lines. Each team will have more employees than before.
- Supervisors will look after an increased number of teams in more than one division.

Analyse the effects of the change in the organisational structure on communication between employees at Gigha Ltd.

[9 marks]

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**Section B**

Answer the question in this section.

**Total for this section: 20 marks**

Read **Item A** and answer Question 

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**Item A**

Tome Ltd sells books and stationery. It was established in 1977. By 2000 it operated 33 bookshops across the UK. Since 2000 the company has suffered falling profits as it struggled against highly price-competitive rivals such as Amazon. Seven of its bookshops were closed in 2011 and 42 jobs were lost. By 2017 the morale of Tome Ltd's workforce was very low and employees were very dissatisfied.

Katie, a sales assistant, has the same opinions as many of her colleagues. At a company meeting in October 2017 she said, "I have worked for Tome for 10 years and I am fed up with constant changes announced by Head Office. We can't discuss these and I don't want any more changes. We are always being told to work harder but wages have hardly increased since 2010. The managers are poor at communicating and things seem to be getting steadily worse. The company needs to think about its workers for once!"

In January 2018, a new management team was appointed at Tome Ltd with the object of achieving a rapid improvement in the company's fortunes. The new Chief Executive, Jack Caledonia, has developed a plan for organisational change to be implemented by November 2018.

His proposed new plan has the following elements.

- Each bookshop would be managed by an empowered team, rather than a manager. More authority would be delegated to all employees to make decisions based on local conditions. For example, they could open a café or have different opening hours.
- Employees will be able to undertake training to allow them to carry out a wider range of roles within their stores. This training programme will only happen if the company makes enough profits.
- The company will phase out the use of temporary contracts and will review pay with the aim of raising average wages steadily over the next few years if profits are good enough.
- There will be some job losses from the plan, especially amongst store managers.

Before the final decision, all employees will have the opportunity to make comments during a 2 month consultation period.









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