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I declare this is my own work.

# Level 3 Certificate/Extended Certificate APPLIED BUSINESS

## Unit 4 Managing and Leading People

Monday 12 June 2023

Morning

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.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- 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**.

### Advice

- Please read each question carefully before starting.
- You should spend approximately 60 minutes on **Section A** and 30 minutes on **Section B**.

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



J U N 2 3 A B S 4 0 1

**Section A**Answer **all** questions in this section.**Total for this section: 40 marks**Tick (✓) the box next to the correct answer for questions **01** to **04**.**0 1** Which of the following is a **non-financial factor affecting motivation**?**[1 mark]****A** A bonus**B** Commission**C** Delegation**D** Profit sharing

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1**0 2** Which of the following is linked to a **tall organisational structure**?**[1 mark]****A** Decentralised decision making**B** Few levels of hierarchy**C** Mainly upward communication**D** Narrow spans of control

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0 3

Read the two statements below and decide whether each is true or false.

**Statement 1:** Procedural and cultural change are examples of types of **organisational change**.

**Statement 2:** Financial and operational factors can impact on managers' ability to implement **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.

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0 4

Read the two statements below and decide whether each is true or false.

**Statement 1: ADKAR** is a technique that managers use to identify the need for organisational change.

**Statement 2:** A key component of **ADKAR** is that employees must receive resources to sustain 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.

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Turn over ►



0 5

A business with a skilled workforce has switched to a decentralised organisational structure.

Explain **one** reason why **decentralisation** might improve the performance of its employees.

[3 marks]

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0 6

A company has just appointed a new leader who used to work in a business with a very different culture.

Explain **one** reason why this new leader might make use of the **Johnson and Scholes cultural web**.

[3 marks]

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0 7

A company has an effective organisational culture.

Explain **one** reason why this effective **organisational culture** might influence the performance of the company's employees.

[3 marks]

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0 8

AES plc manufactures high-quality ready meals. Its customers include the UK’s major supermarket chains. These supermarkets aim to keep prices as low as possible because shoppers’ incomes have only risen slowly.

Many people in the UK worry about protecting the natural environment. Some food manufacturers are using organic ingredients. Organic ingredients are produced without using chemicals and are more environmentally friendly. AES plc’s board of directors has to decide whether to use organic ingredients in its ready meals.

A number of factors affected the directors’ decision.

- More consumers are becoming ethical: sales of organic foods have risen by 6.2% during recent years compared to 2.3% for non-organic foods. The growth rate of organic food sales is expected to increase quickly in the future.
- Research suggests costs of organic ingredients will be around 25% higher than non-organic ingredients by 2024.
- Governments in many countries have not been able to agree common rules on what makes products organic. This is expected to cause uncertainty over future supplies of organic ingredients.

AES plc’s directors decided not to use organic ingredients in the production of its ready meals.

Use **force field analysis** and the information above to analyse why AES plc decided **not** to use organic ingredients in manufacturing its ready meals.

[9 marks]

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0 9

Chiedozie Ltd designs and installs IT systems for other businesses using a highly skilled workforce. Each installation for other businesses requires a different system.

Recently the company has grown rapidly and has recruited new employees. The company has used a hierarchical organisational structure with nine levels of hierarchy. The use of this structure has led to a number of difficulties. Many junior employees complained that they were not kept up to date with what was happening in the business.

The managers at Chiedozie Ltd have decided to replace the hierarchical structure with a matrix organisational structure from July 2023. This decision has received support from employees at all levels within the company.

Pat, an IT expert	“Under the new matrix structure, I will have direct contact with many more people and will know more about what is happening in all parts of the business. This will make a welcome change.”
Kasey, a junior employee	“In the past I have simply received instructions and had no real contact with managers. I hope that with the move to the matrix structure, I will be able to offer my ideas and give my opinions.”

Using the information above, analyse how the decision by the managers at Chiedozie Ltd to move to a **matrix organisational structure** might affect **communication** within the company.

[9 marks]

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Ramon Howells manages a team of lecturers in a large college. He manages a team of highly qualified, skilled and experienced lecturers who are very motivated.

The performance of his team has been outstanding with excellent examination results. Chris is Ramon’s deputy. He says that the members of the team enjoy working for Ramon and that people in other teams in the college envy them. There are more long-serving lecturers in Ramon’s team than any other in the college.

Ramon’s use of power has a number of distinctive features.

- He is respected for his knowledge of the subjects taught by his team as well as for his understanding of issues relating to education.
- His personality is a major asset as Ramon is liked and admired by his team. They respond well to his requests, even if they lead to more work.
- Ramon praises his staff for their work, such as excellent examination results. He makes sure their successes are reported in the college’s monthly newsletter.
- Some team leaders in the college criticise their team members and threaten not to renew temporary contracts. Ramon does not do this.

Using the information above, analyse the implications of Ramon’s use of **power** on his **ability to lead** his team.

[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**

TH plc manufactures sports clothing for sale to retailers. Following a period of poor financial performance, Jan Roberts was appointed as the company's Chief Executive Officer in 2019. She recognised immediately that organisational change was required to improve the company's workforce performance, motivation levels and profits.

**Jan's research**

Jan talked to employees throughout the company to understand the causes of TH plc's problems before making any decisions. She quickly became aware that all the company's employees were unhappy with pay rates. Since 2017 employees' pay has risen more slowly than prices and their living standards have fallen.

Ricardo is a production line manager. He told Jan that many employees are demotivated because their views are not acted upon or even considered. Ricardo was very honest: "The workforce's performance has been declining for years and profits have fallen sharply. My staff have offered many suggestions to improve production levels which have been ignored. Senior managers don't realise that people at all levels in this company can have good ideas".

Mousa, a warehouse worker, was critical about low motivation levels. "Senior managers have promised improvements. 'Pay will rise, our views will be taken into account, jobs will be more interesting', they said. This hasn't happened. We don't believe them!"

Jan felt her most useful conversation was with Cyril, a long-serving employee. "I wouldn't want your job", he said, before giving a warning: "you'll find it very difficult to make changes here – senior managers have tried and they've made our working lives worse. People are intolerant and changes will be resisted."

**Jan's plan**

The main elements of Jan's plan for organisational change were:

- employees at all levels would be empowered to work and make decisions in teams. These teams would operate throughout the business and training would be given to help with these changes
- empowerment would include employees being consulted and involved in how to implement this organisational change
- teams would also be asked to suggest ways of making production more efficient
- significant pay rises would be offered, but not until 2026 and only if production targets were met.

One director commented that Jan was placing great faith in the use of empowerment.



**1 | 1**

Considering the information in **Item A**, evaluate the extent to which Jan’s use of **empowerment** will enable her to overcome all the **factors resisting the organisational change** she has planned.

**[20 marks]**

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**END OF QUESTIONS**

**20**



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