



Examiners' Report Lead Examiner Feedback

January 2021

Pearson BTEC Nationals
In Business, Enterprise & Entrepreneurship
(31588H)
Unit 6/12: Principles of Management

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Introduction

Unit 31588H Principles of Management is a Mandatory unit in the Diploma and Extended Diploma in Business and the Extended Diploma in Enterprise and Entrepreneurship. This was the sixth opportunity for learners to take the external assessment set task for this unit. The assessment is based on a case study that is issued in the Part A pre-release before the supervised assessment. Part B contains two activities set on the case study and is issued at the start of the supervised assessment. The pre-release period gives learners time to identify and understand the management issues that face the company. It gives learners the opportunity to familiarise themselves with the issues, the organisation, and the relevant sector. The Part A pre-release case study involved a five year old tech company which had experienced rapid growth, Clockwise Ltd. Learners were presented with organisational information relating to staffing, logistics and performance. The case study also included benchmarking information from a similar tech company relating to staff motivation and culture. There are two activities in Part B. Activity 1 required learners to prepare a report on management and leadership styles and skills at Clockwise Ltd. It also required learners to make recommendations about appropriate actions required to improve the current leadership style and management skills. Activity 2, a presentation, required learners to focus on the how motivation at Clockwise Ltd could impact on their stated goals and also to recommend improvements which would help motivate staff and lead to improved performance. The assessment of the unit is based on 4 assessment focuses which are applied twice, once to the written report (Activity 1) and once to the presentation (Activity 2). Each activity is marked out of 44 marks, giving a total of 88 marks for the set task. The assessment focuses are: □ Information/ data analysis and interpretation – 12 marks □ Key principles of management – 12 marks □ Suggested alternative management approaches – 12 marks □ Structure and presentation – 8 marks

Learners completed the assessment using a computer. Scripts were submitted as hard copies or electronically on a USB memory stick.

A small number of centres submitted work without including signed authentication sheets and/or mark summary sheets. This causes a delay in marking while these documents are requested from centres.

Centres are advised to review the Administrative Support Guide for this unit which is available on the BTEC subject pages prior to submitting work to ensure that all administrative requirements are met.

Introduction to the Overall Performance of the Unit

Learners attempting this set task achieved between 0 and 81 marks out of the 88 available.

Learners took different approaches to the assessment. The majority of learners answered the two activities and produced a written report on management and leadership styles and skills and a presentation on motivation and business performance. All learners completed Activity 1 using a word processing package such as Word and completed Activity 2 using presentation software, such as PowerPoint. A small number of learners produced a presentation using word processing software whilst others, having produced slides in presentation software, word processed their speaker's notes. Most learners had made an attempt to answer both activities. Some learners answered Activity 1 with Activity 2 as one long report rather than a report with a separate presentation with speaker notes which made it difficult for them to achieve higher mark bands. Many learners spent a lot of time copying out the case study into their answers but then not exploring it in relation to Activities 1 and 2. Some learners reiterated case study information and data, and commented on the issues they found without analysing the information in relation to the topics in the activities. However most learners were able to make links between management principles and the context and achieved higher mark bands for AF2 and 6.

Individual Questions

Non-bulleted text should be written in Open Sans font size 12

Bullet points and text in tables is font size 11

Activity 1

For Activity 1, responses that reached the higher mark bands focussed on the issues of leadership and management styles and skills and the impact these had on motivation and performance relative to achievement of stated goals, using relevant information from the case study to support and justify arguments made. These responses also included relevant recommendations relating to improvements in the key issues with support from the case study data and relating to goals.

Many responses focussed on changing leadership styles and staff motivation, which were relevant to this case study. Most candidates limited their ability to access higher mark bands due to a lack of justification relating to business goals and a lack of balance in their conclusions.

Responses in lower mark bands re-iterated case study data and facts with little attempt to take an analytical approach and sometimes with little reference to key management principles (Please refer to specification).

Activity 2

In past series, many learners seem to spend too much time on Activity 1 and rush through Activity 2, however although this was prevalent there was much more balance between the time which had been spent on each. As a result, many learners were not able to move into the higher mark bands, for Activity 2. Since marks are evenly split between Activity 1 and Activity 2, learners should aim to split their time more evenly between the two activities.

The tendency overall was for learners to present slides and notes which logically identified issues from the case study and then recommend solutions. Most learners then provided a notes page for each slide which was often theoretical but largely in context of the Part A case study Clockwise Ltd. Many learners failed to achieve the higher mark bands as they simply listed their recommendations rather than providing an analysis or justification.

Overall, there appeared to be quite strong knowledge and understanding of the theory of motivation in Activity 2 work with references to a wide range of motivational theorists from Maslow and Herzberg to McGregor and Taylor.

Students were able to gain higher mark bands by applying this theory accurately to the context. Responses overall showed understanding of the impact on individuals of different strategies to combat low motivation such as MBO and financial and non-financial motivators. Recommendations were mostly realistic with learners achieving the higher mark bands where they linked their ideas explicitly to the three goals set out in the case study.

Activity 1

Assessment Focus 1:

Information/ data analysis and interpretation

The quality of the answers in this assessment focus varied in depth and relevance. Most learners made references to the case study and used this to support their analytical approach. Higher achieving learners included sustained references to the case study which were also fully relevant to the context. Some learners copied large amounts of the case study but did not use this to analyse the key issues for management. References to the case study, though often sustained, were not analysed, and this limited the number of marks achieved.

The example below is part of a response from the middle of mark band two. The learner used information from the case study which meant that the response was not generic but was unable to access the higher mark bands because they made basic conclusions taken rather than demonstrating a detailed analytical approach which is required to progress to mark band three.

Clockwise Ltd is fairly a new business as it was founded 5 years ago by Patrick neve and his two friends Mitra Vinod and Mehdi Rohid who were fresh out of university so they had new and out of the box ideas which helped them succeed in making £6 million revenue from the last 12 months. However, all of the owners have done the same subject and none of them have any managing experience, this is why they are using lessez-faire management style and Douglas's McGregor's theory y which is laid back and gives their employees freedom to do the tasks assigned when and how they want to. This creates a problem for Clockwise Ltd as the 12-hour day shift employees don't finish their work when they have to and the owners gain barely any managing experience. It also means that the 12-hour night shift has to complete these tasks which they are not paid for, one of the night shift employees said, 'there doesn't seem to be a plan, no wonder everyone is leaving – we're all overworked and undervalued'.

The tables of evidence on finance, staffing and logistics (Figure 1 and Figure 2) were often not analysed or applied to Clockwise Ltd and although many learners had drawn conclusions on the impact of outsourcing on Net Profit after tax learners did not develop this further Learners who achieved marks in the lower

mark bands tended to copy out figures or simply calculate the difference between figures from year to year and not apply them to Clockwise's situation.

The example below is part of a response from the bottom of mark band two. The learner has either simply stated the figures from the table or calculated the increase using the figures in Figure 1 however there is no analysis of the issues or implications for the business or balanced conclusions.

Data Analysis

Analysing the data given the total revenue is increasing each year steadily the revenue has increased the most is on year 2017-2018 it has increased by 79 % in one year this implies that they have a high revenue to spend on other resources in the business.

The net profit in the business has drastically fallen in the second year, in year 2016 it was 1176% and in 2017 it is in 15% this could implement that they must have lost the major advertising project in year 2017 that impacted in this result

Learners in most cases managed to identify some key issues from the case study and this was generally covered well. Those learners accessing higher mark bands used the case study well and used the benchmarking in context with Clockwise Ltd and linked these to the overall business goals. Analysis in some cases was weak in this AF, lacking detail and balanced conclusion. Some learners carried out additional research and included this in their reports, e.g. some looked at Google compared to Clockwise Ltd but this research could not be counted in the final marks as it was not in context with the case study.

Most learners were able to give clear links to the case study which were relevant and in context and in some cases, references were accurate and in depth. As a result of clear linkage, learners were able to give detailed analysis but often failed to give balanced conclusions. Where higher mark bands were accessed learners used the case study well and references were sustained and frequent throughout the report. The majority of learners understood the issues faced by Clockwise Ltd and the need for the organisation to change. They also managed to highlight the main points such as the lack of experience in the management team and the Laissez-Faire leadership style. There was a clear understanding that there was a need for a more authoritarian approach and that the managers needed to undertake training. Most learners also identified issues with high levels of staff turnover and motivation linking this to high costs and low profit. There were some instances where learners used benchmarking material from other sources. It is not a requirement for learners to carry out any additional research for this unit and therefore, research of this nature is not awarded marks. At lower levels, the work included generic comments which in some cases were not related to Clockwise Ltd.

Assessment Focus 2: Key principles of management

There were a range of potential management principles that could be addressed for management skills and leadership styles in context for Activity 1. Learners who did not address the focus of the question did not achieve marks higher than mark band 1. The more applied responses were able to identify the key principles of management, in context and linked into the business goals, achieving marks in mark bands three and four. Weaker responses lacked further development in this area. The majority of learners developed their responses by identifying management and leadership issues, linking this to achievement of goals and recommending appropriate solutions in context. Most learners indicated that the business was not achieving its profit goal because of inability to motivate and control the workers and were able to make appropriate suggestions to address this. Some learners discussed the possible impact of a different leadership style or motivational strategies such as MBO or appraisals and linked this to the achievement of Clockwise Ltd.'s other stated goals with reasonable accuracy.

The example below gained marks at the bottom of mark band two. The work contained relevant themes associated with management principles e.g. 'laissez-faire', 'paternalistic', 'flat' structure and although there is a clear attempt to link these to the business context, development is very limited and there is no attempt to link to business goals.

Management and leadership impact on the business

Firstly, the managers of the company are not experienced, however they have the following role within the organisation. Patrick is the Financial Director, Mitra is the Logistics director and Mehdi is the HR manager. To begin with the company employs more than 50 staff and the structure of the company is very flat considering the fact that they have a very high numbers of customers. The management style used in the company is more of a laissez-faire style, this style is used when the employees are highly skilled and highly motivated, in this scenario this style is not appropriate, the staff are welcoming this style however this does not benefit the company due to some staff enjoying this style other staff are lacking motivation as they might feel they are not managed effectively. Paternalistic style is also used in this organisation because staff are flexible to work at home and they can decide the hours which best suit their personal circumstances. Staff are highly motivated when they are treated with importance considering their personal situation allows the employee to be more loyal toward their managers and the company, this style also improves the productivity of the staff.

There were some learners who discussed motivational theories and leadership styles, with most correctly identifying the leadership style as "Laissez-Faire".

Many learners gave very detailed information concerning different types of leadership styles, and although much of this was in the context of the case study it

was rarely linked clearly to the business goals. Some learners mentioned theorists, e.g. Maslow, Herzberg, Taylor etc. and where there was a clear understanding as to how these theories related to Clockwise Ltd and how they could help to improve the situation this was done well. However, in some cases, these theorists were sprinkled around the report with no clear understanding of the underlying issue, therefore, limiting the mark band that learners could achieve. Where learners provided relevant, clear management principles which were clearly linked to the context of the case study and the overall business goals the organization was trying to achieve, these learners achieved the higher mark bands.

The range of key management principles tended to include motivation/ motivators, management styles, MBO, appraisals, training /upskilling and transformational leadership.

Assessment Focus 3: Suggested alternative management approaches

Responses that were awarded higher marks focused on three or four alternative approaches to management that were in context and related these to the business goals of the organisation. Some learners listed more alternative approaches, then struggled to apply them all in context, which limited the number of marks awarded. Most of these approaches were applied to the context of Clockwise Ltd with very few generic answers. Most suggested alternative approaches were considered to be 'realistic in the context of the scenario' and so marks were not limited to mark bands one and two (see mark grid). Some learners used the results of Mehdi's secondary research as their recommendations which was fine so long as they were selective and were able to analyse and provide justifications for their choices. Where higher marks were awarded, recommendations were fully justified and in the context of the case study and business goals. Examples included, changing to a democratic management style, introducing staff appraisals and MBO.

The recommendations given by learners were varied and linked mainly to the key management principles learners wrote about in AF2, being generally realistic and appropriately linked to the case study.

The example below shows a recommendation which is in context. There is an attempt to show balance, but the learner shows no direct links to the business goals This example achieved marks at the top of mark band 2 but was unable to progress to MB3.

I recommended Clockwise should change their management style to democratic; this style of management allows all employees to have a say on what goes on in the business, but the manager has the overall say. This not only gives direction, but a fair chance for all employees to have their opinion shared. This then will benefit Clockwise business culture, helping employees gain the motivation and work relationship again. However, there are drawbacks to the democratic management style, it could be high amounts of pressure on the manger to make those decisions and Clockwise themselves really need some discipline; the human resources director Mehdi had to punish some engineers for playing table tennis in work hours. This shows that Clockwise need stricter management in place so they could implement autocratic management style, where the manager has all authority over the business and keeps the employees on their feet, but this have proven to also demotivate staff and make them feel undervalued.

Overall, learners clearly understood the context and applied their arguments within this context and were able to move into the higher mark bands for this assessment focus. Learners who took a more generic approach or who failed to link ideas to business goals were limited in their ability to gain marks.

Assessment Focus 4: Structure and presentation

Overall, the structures of the reports were generally good. Most had a natural flow, paragraphs and in some cases, headings separated key areas and most had a conclusion. Where learners had produced a well written report were issues were clearly identified, discussed in relation to key management principles and then resolved with a justified recommendation marks were high. Marks were lost on this assessment focus mainly for lack of relevant management principles and/or concepts and lack of management terminology. Many learners started the set task with introductions giving a clear statement of the purpose of the report and in many cases referring to the case study to set the scene.

Example introduction layout:

Executive summary

This report will be concerned with a limited company called clockwise ltd; which is located on an industrial park on the outskirts of one of the UKs major cities. This report will be voiced to the founder of Clockwise Patrick and two friends Mitra and Mehdi. I will be Showing my understanding on management and leadership at Clockwise Ltd and its impact on staff turnover and profitability. Clockwise have the following main goals; to increase the net profit, reduce staff turnover and to achieve greater levels of product innovation and creativity. Clockwise are currently using laissez-faire as their management style, but the employees feel "overworked and undervalued "so something needs to change for Clockwise to experience success in the workplace. Culture in a business like Clockwise is vital to not only achieve goals, but to keep the morale and employee engagement at a strong level. However, at Clockwise there are implications on the business culture, as staff turnover has fallen massively from 5% to 42%. This implies employees at Clockwise feel demotivated and not valued. Clockwise aim to build an innovative and creative culture.

Example conclusion layout:

Conclusion

In conclusion I believe Clockwise should experience success if they follow these steps, implementing the new management style of Democratic and the theorist Douglas McGregor to influence responsibility and growth within the business. Additionally, the use of apprenticeships to finance the business safely and smatter. Considering the opportunity of employees gaining new skills and expanding on current knowledge. Clockwise main aims are; to increase the net profit, to reduce staff turnover and to achieve greater levels of product innovation and creativity. To be enable employees to reach these aims, they must work together building stronger relationships and be motivating each other.

There were instances where learners incorporated their recommendations within their conclusions which helped to pull all the issues raised in the report together. A number of learners spent time on producing front covers and contents pages for their reports. These did not add to the structure of the reports so therefore did not gain any additional marks. Overall, the structure and presentation of learner's reports were of a good standard with main points covered throughout their writing. Structure in the majority of reports was good with a small number of reports containing major communication errors.

Activity 2

Assessment Focus 5: Information/data analysis and interpretation

Coverage of and reference to the case study was generally relevant and in context however, learners seemed to rush Activity 2 and so presentations and speakers' notes did not show sustained references to the case study. As a consequence, many learners scored lower marks. Where references were made, they were relevant and analytical and in many cases were led to sound and accurate conclusions. The majority of learners identified different types of motivational issues which were currently causing problems at Clockwise Ltd, but some learners simply copied what they had written in Activity 1 leading to a lack of focus on the set task and so lower marks.

The example below shows a piece of work that achieved the lower end of mark band two since although there are many references to the case study there is little evidence of development of the issues identified in relation to motivation. The learner is able to draw some accurate conclusions but there is no evidence of balance.



Clockwise currently are dealing with demotivated staff , who feel undervalued and overworked . My idea of motivation in a business is the desire to want to continue at what you're doing , with the enjoyment of completing the task too. Clockwise have experienced a major decrease in staff turnover , from 5% to 42% this shows the amount of employees who leave the business after the annum . Additionally the worker satisfaction survey (showing the % of staff happy and committed to their job) has fallen from 63% to 41% . The staff at Clockwise do not feel like there is a plan , they feel them coming to work has no purpose . The business culture is down with weakening work relationships. Clockwise also have not given staff individual performance targets and there are not many opportunities for promotion in the company . Some staff lack motivation and leave as they feel unchallenged . Permanent staff are also disadvantaged , as they get paid less hourly than agency staff . This is making the staff feel unequal and pushed out of the way , having implications on the business culture . To build on work relationships and share the companies visions and plans for the future would be top priority at Clockwise , this will also boost employee engagement and give a sense of direction with a purpose to work.

Assessment Focus 6: Key principles of management

The majority of learners gave a reasonable account of at least one type of motivational theory or theorists work. However, the work produced was

sometimes purely theoretical and therefore generic making few links to the case study or stated goals.

Where higher marks were awarded, learners correctly identified the impact that different methods of motivation (e.g. financial/non-financial) would have on staff turnover, net profit and staff creativity

Example below shows a piece of work at the top of mark band 2. Although management principles which relate to motivation are clearly identified and the business name Clockwise Ltd is also used, the learner has not applied the theory specifically to the situation the business is in therefore although the theory is relevant there is no real development or explanation relevant to the context.



Clockwise are experiencing demotivated staff, that are leaving the business as they feel unchallenged so I am going to give recommendations to founder Patrick. Firstly, I believe Clockwise should implement motivators non financial and financial – to make employees feel like they have a purpose to come into work every day. A non financial motivator consists of motivation given to employees, with no money spent or given out. For example, recognition, job rotation or even job enrichment. Whereas, a financial motivator consists of motivation given to the employees, with a financial aspect usually spent on employees or given to them. For example, a promotion, remuneration, fringe benefits or days off. I believe Clockwise would benefit from these motivators as the employees will have something to work for, gradually increasing employee satisfaction and turnover. Another way that Clockwise could improve their motivation and performance of staff is by introducing a motivational theorist. Maslow – the hierarchy of needs is the belief that employees should be entitled to the following; basics such as food and water, warmth and safety, good working relationships etc. Clockwise would benefit from this structured approach as there is currently no plan and direction. Maslow will also help employees get back on track, with receiving these vital steps before starting work. Knowing the employees are safe and satisfied the manager will be able to get on with their day to day tasks. This will also improve Clockwise business culture, improving working relationships and staff turnover. Having a structured approach

Learners should ensure that they read all aspects of the Set Task questions carefully as a lack of focus on motivational theory or other relevant key management principles meant that learners did not achieve higher mark bands.

Assessment Focus 7: Suggested alternative management approaches

The majority of learners included some form of suggestion or recommendation and these were on the whole realistic in the context of Clockwise Ltd. Most learners understood the question, however their ability to truly understand how the business could apply motivational theory and concepts to the context limited the mark band that could be awarded.

Where higher mark bands were awarded, recommendations were entirely appropriate and learners showed a clear understanding of the management principles. There was some excellent work on McGregor and Herzberg where solutions showed clear understanding and consequently balanced justifications were presented.

Justifications for the recommendations could be improved by most learners.

Stronger work focused on fewer alternative approaches and analysed benefits and drawbacks to make a balanced conclusion and access the higher mark bands.

The example below shows an example at the bottom of mark band 3. The learner makes entirely appropriate recommendations and starts to show balance in their justification.

Recommendations – answering the question

- Appraisal
- 360 degree
- Rating scales
- MBO (management by objective)
- Self assessment

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Clockwise staff currently have no individual performance targets and there are not many opportunities for promotion– leaving staff unchallenged and leaving the business . I believe recommending appraisal systems would benefit Clockwise as it will enable employees to be recognised for all their hard work and to be rewarded accordingly. Using one of the following appraisal systems will bring employee engagement up and them reflect on how well they perform . For example , using 360 degree appraisal allows who's in charge to look at the employee from all angles , including strengths and weaknesses and current progress . Rewarding the whole of the team from employees to directors and management . Another appraisal system Clockwise could use is management by objective – breaking down the individuals objectives to contribute to the businesses main aims . This will help employees be aware of what they need to do to achieve the businesses aims , allowing the employee to b rewarded by each objective they complete . Clockwise staff could also benefit from rating scales , where the manager rates each employee on how well or not well they did on certain aspects of the business . However , this may not be the best option for Clockwise as they have not had a good management style directing them . I believe the best appraisal system for Clockwise would be self assessment – where the employee writes down their own strengths and weaknesses . This will enable employees to express where they are at with the work, how they are feeling and what areas they need extra support in . The extra support can come from

Assessment Focus 8: Structure and presentation

Presentations generally used a similar format: Introduction, Issues, Management Principles, Recommendations, Conclusion. This enabled learners to show a logical structure. The presentations in general had a logical structure with few communication and spelling errors. Management terminology was appropriate in the majority of responses. Presentations varied in length, but most had a start, middle and end, and showed a logical structure. This approach enabled learners to access marks in mark bands 2 and 3. There were few communication errors in the majority of presentations.

Summary

- This includes LE recommendations, e.g. Based on their performance on this paper, learners should: (then include between five and ten bullet points)
- If appropriate, refer and link to the specification and/or sample assessment materials (SAMs) located on the BTEC First qualification webpage located [here](#).

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