



General Certificate of Education

Applied Business 8616/8619

BS12 Managing People

Mark Scheme

2008 examination - June series

Mark schemes are prepared by the Principal Examiner and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation meeting attended by all examiners and is the scheme which was used by them in this examination. The standardisation meeting ensures that the mark scheme covers the candidates' responses to questions and that every examiner understands and applies it in the same correct way. As preparation for the standardisation meeting each examiner analyses a number of candidates' scripts: alternative answers not already covered by the mark scheme are discussed at the meeting and legislated for. If, after this meeting, examiners encounter unusual answers which have not been discussed at the meeting they are required to refer these to the Principal Examiner.

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	Assessment Objectives
	The Assessment Objectives represent those qualities which can be demonstrated in candidates' work and which can be measured for the purposes of assessment.
AO1 Knowledge, skills and understanding	Candidates demonstrate knowledge and understanding of the specified content and relevant business skills.
AO2 Application of knowledge, skills and understanding	Candidates apply knowledge and understanding of the specified content and relevant business skills.
AO3 Research and analysis	Candidates use appropriate methods in order to obtain and select information from a range of sources to analyse business problems.
AO4 Evaluation	Candidates evaluate evidence to reach reasoned judgements
Quality of Written Communication	<p>The quality of written communication is assessed in all assessment units where candidates are required to produce extended written material. Candidates will be assessed according to their ability to:</p> <ul style="list-style-type: none"> • select and use a form and style of writing appropriate to purpose and complex subject matter • organise relevant information clearly and coherently, using specialist vocabulary when appropriate • ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear. <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p>

1

Total for this question: 22 marks

(a) Using **Item A**, explain why John Banks introduced a new organisational structure. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item A to illustrate why the rationale for change in context.	3–4	AO2
1	Identifies and describes some reasons for change.	1–2	AO1

Relevant answers might include the following:

- the business was expanding and employing more staff who needed to be managed
- John was finding it hard to manage the enlarged business and needed extra management staff to help him
- what organisational changes they made to cope with growth in staff numbers based on **Item A**.

(b) Explain **two** problems with John's approach to management. (10 marks)

Apply the following mark scheme twice.

Level	Descriptor	Marks	Assessment Objective
2	Applies a problem to the business in Item A .	3–5	AO2
1	Identifies a reason why John's approach creates problems.	1–2	AO1

Relevant answers might include the following:

- John is unable to control all aspects of a much enlarged business himself and his autocratic style would therefore begin to fail. This would affect productivity and may ultimately threaten the survival of the business
- staff would feel confused if they are getting different instructions from John and another manager. This will lead to demotivation and affect performance
- the departmental managers would feel that they had no real role and become demotivated and may well leave the business to join other businesses where they were allowed to manage.

Note: approach to management can encompass: style of management and how John managed the business.

Eg style: autocratic
how: management of change.

(c) Using **Item A**, analyse why it is necessary for John to change his leadership style.
(8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how a new leadership style will help John manage the business.	6–8	AO3
2	Applies the need for a new leadership style to the situation faced by the business.	3–5	AO2
1	Identifies a suitable leadership style or why a new leadership style is needed.	1–2	AO1

Relevant answers might include the following:

- John needs to learn to be less autocratic and to work with a team of managers
- he needs to allow managers to manage their departments so that they are motivated, staff have clear instructions and mixed messages are avoided
- the business is growing so fast that John still needs to retain overall control, but unless he adopts a democratic or participative style he will fail to be able to have the time to manage the overall situation
- a participative style would be suitable because it means that the departmental managers would have a full input to the management process, but it may be too slow to cope with a rapidly changing market which is growing very fast
- a democratic style would help to ensure that all the managers had an input into trying to manage the business, but John would still have the ultimate control which may help at times of fast change.

2**Total for this question: 25 marks**

- (a) *Solarfirst needs to make a decision about whether to introduce a new payment scheme for the sales department.*

Explain why this is a strategic decision.

(4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains why the decision has strategic implications for the business.	3–4	AO2
1	Identifies why the decision is strategic.	1–2	AO1

Relevant answers might include the following:

- the decision to introduce the new reward scheme is a strategic decision as it is a major change to how the business is run and will affect the business in the long term
- it is, therefore, not a decision which is easy to reverse, it is only made once and will impact on many other parts of the business.

- (b) *John is concerned at his lack of authority over the sales department. Sarah has threatened to resign if he blocks her idea of a new payment scheme.*

Analyse why, despite his power, John is unable to exert his authority over Sarah.

(9 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses why John lacks authority over Sarah.	7–9	AO3
2	Applies the limitations of John's power in terms of his power over Sarah.	4–6	AO2
1	Identifies some aspects of power and authority.	1–3	AO1

Relevant answers might include the following:

- John's power is based both on his position as manager of the business and the fact that he has run a successful business
- Sarah is relatively new to the business and has been successful in increasing sales quickly
- Sarah would not be afraid of John as she would find it relatively easy to find a new job and would not be prepared to stay if she is not allowed to make any decisions
- John is also not a sales expert and, therefore, Sarah would not look up to him in terms of how to organise a sales team
- ultimately, John and his business needs Sarah more than she needs the business, therefore, she is in a very strong position.

(c) *Discuss the possible implications to the business if John decided to implement Sarah's proposed new pay scheme for the sales team.* (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses the implications of the changes to the business.	4–5	AO3
2	Applies the implications of the change to the business.	2–3	AO2
1	Identifies implication(s) for the business.	1	AO1

Relevant answers might include the following:

- the business may end up paying more to the sales staff if they sold more units
- payment by results may well motivate the sales staff and this would help to increase the business turnover
- the other staff at the business may be unhappy if only the sales staff are paid on results
- John may find it easier to keep good sales staff at the business.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
E3	Evaluates the possible implications of the change by prioritising evidence from Item B . Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	6–7	AO4 and Quality of written communication
E2	Judges with some justification the implications of the change and prioritises some evidence from Item B . Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	3–5	
E1	Judges with limited evidence the implications of the change and prioritises some evidence from Item B . Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	

3**Total for this question: 33 marks**

(a) *Jill is introducing many changes to the business in a short period of time. Analyse the impact that this may have on the motivation of the restaurant managers. (7 marks)*

Level	Descriptor	Marks	Assessment Objective
3	Analyses the impact the changes will have on the managers' motivation.	5–7	AO3
2	Applies some of the changes to the motivational impacts on the managers/employees.	3–4	AO2
1	Identifies why change is unsettling.	1–2	AO1

Relevant answers might include the following:

- the managers will be concerned at the speed of change which appears to be being introduced to the business
- they will feel unsettled that Jill is proposing to empower the staff more than has been the case in the past and that an external project manager is being brought in to manage the development of the new restaurant
- the combined effect of all of these changes will make them feel that their own role and status may well be adversely affected
- this will have an impact on their motivation because, whilst there does not seem to be any threat to their income or basic conditions of employment, they will feel that their position is being downgraded
- they will thus feel less important
- in the long term, there may be some upside if the business grows and expands in terms of benefits for the restaurant managers.

(b) Discuss the suitability of using critical path analysis as part of the project management to ensure that the new restaurant opens at Easter. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses whether CPA is appropriate for the situation in Item C .	4–5	AO3
2	Applies some of the features of CPA to the situation facing the business in Item C .	2–3	AO2
1	Identifies some features of CPA.	1	AO1

Relevant answers might include the following:

- CPA is very relevant to the refurbishment programme as there are a large number of individual tasks which will need to be completed within a set period of time
- if the jobs were all arranged sequentially it is very unlikely that the project can be completed in time
- the programme also includes two major components to the project in terms of the need both to complete the refurbishment and to recruit and train a new staff team which must be managed in parallel
- CPA is useful both to plan all the tasks and as a project management tool to keep the development on track by setting target dates for each task and to help replanning if any aspects of the project is delayed
- CPA can be time consuming and needs skills in project management
- CPA does not guarantee success particularly if the time estimates or dependencies between tasks are not correctly identified.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
E3	Evaluates whether CPA is appropriate to the situation in Item C using evidence from Item C . Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	6–7	AO4 and Quality of written communication
E2	Judges with some justification whether CPA is appropriate to Item C and prioritises some evidence from Item C . Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	3–5	
E1	Judges with limited evidence the way in which CPA applies to Item C and prioritises some evidence from Item C . Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	

- (c) *Three months after the opening of the new restaurant, Jill has reviewed the policy of empowerment of the restaurant staff with her Head of Human Resources. They have concluded that the policy should be extended to all the other restaurants in the group.*

*Discuss the actions Jill could take to ensure the successful implementation of this policy.
(14 marks)*

Level	Descriptor	Marks	Assessment Objective
3	Analyses the actions Jill could take to implement empowerment in the existing restaurants.	5–7	AO3
2	Applies the actions Jill could take to make a success of introducing empowerment to the business.	2–4	AO2
1	Identifies the actions Jill could take to introduce empowerment to the existing restaurants.	1	AO1

Relevant answers might include the following:

- the existing restaurant managers and staff are not used to an empowered workplace
- introducing empowerment in a situation like this will be challenging as it will be new to both the management of the business and the staff team will have to go through a significant learning process.

Suitable actions include:

- to make a success of introducing empowerment Jill will have to ensure that the staff are supported and made to believe that the empowerment is real
- it will also be essential to help the team develop itself by supporting the process
- Jill will also have to accept that especially in the early days she will have to help the managers develop their ability to manage the day-to-day operation of the restaurant in a more empowered manner
- training/team building exercises and support could also be used to help the team at each restaurant learn how to use the new system
- Jill would also be well advised to seek advice for herself on how to introduce empowerment to traditional teams either from a business advisor or from a business owner who has already made this change.

Please see next page for AO4.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses candidates' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the candidate orders and communicates his/her ideas.

Level	Descriptor	Marks	Assessment Objective
E3	Evaluates the actions which could improve the success of introducing empowerment using evidence from Item C . Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication.	6–7	AO4 and Quality of written communication
E2	Judges with some justification some actions which could affect the introduction of empowerment and prioritises some evidence from Item C . Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	3–5	
E1	Judges with limited evidence some actions which could affect the introduction of empowerment and prioritises some evidence from Item C . Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	1–2	