



**General Certificate of Education**

**Applied Business 8616/8619**

**BS12      Managing People**

**Mark Scheme**

*2008 examination - January 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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	<b>Assessment Objectives</b>
	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
<b>Quality of Written Communication</b>	<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"> <li>• select and use a form and style of writing appropriate to purpose and complex subject matter</li> <li>• organise relevant information clearly and coherently, using specialist vocabulary when appropriate</li> <li>• ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear.</li> </ul> <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p>

1

**Total for this question: 25 marks**

(a) Using **Item A**, describe **one** management role which Josh might fulfil in the business.  
(3 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Josh's position in <b>Item A</b> to illustrate this role.	3	AO2
1	Identifies and describes one management role.	1–2	AO1

**Selects one of:**

- planning / forecasting
- organising / co-ordinating / controlling / commanding
- monitoring / evaluation / reviewing / checking up
- reporting / briefing.

Describes the role managers perform.

(b) Josh's power is based on his position as Hotel Manager. Using **Item A**, explain the limitations of Josh's use of position power.  
(6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains why Josh's position may not have been enough to give him authority.	5–6	AO3
2	Explains how position power relates to Josh's role.	2–4	AO2
1	Identifies a basis of position power or defines the term.	1	AO1

**Relevant answers might include the following:**

- position power comes from the role a person performs within a business and is based on the fact that staff have to listen to someone who is higher than them in the hierarchy
- the main limitation it has is that if the staff do not believe that the manager is good at their job they may start to question the decisions they make despite the position they hold
- unless managers can demonstrate that they are good at their job they will lack authority.

(c) *Analyse how the skills Josh developed running the stores might help him to manage the Redwood Court Hotel.* (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how skills developed might or might not help to manage the <i>Redwood Court Hotel</i> .	6–8	AO3
2	Explains how skills developed might or might not help to manage the <i>Redwood Court Hotel</i> .	3–5	AO2
1	Identifies some of the skills Josh can bring to his new role.	1–2	AO1

**Josh is new to the hotel sector and therefore:**

- will not have the in-depth knowledge of some of his staff
- this may well cause some of the staff to question his authority especially if this leads to staff thinking that he has made some mistakes
- it may also affect his ability to make decisions quickly and effectively.

**However, being new to the hotel sector means that he:**

- can bring a fresh perspective to the job, and skills from his previous role in retailing
- is an experienced manager who has had to lead many staff and who achieved profit growth in his last role.

These generic management skills should help his ability to manage the same at the hotel. These are:

- technical skills – knowledge of products, subject area, the organisation
- communication skills
- organisational skills
- interpersonal skills.

(d) *Analyse why Josh's autocratic management style is causing problems at the Redwood Court Hotel.* (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses the impact of his management style on the staff.	6–8	AO3
2	Applies the problems with his style to the situation in <b>Item A</b> .	3–5	AO2
1	Identifies some reasons for his management style causing problems or describes his management style.	1–2	AO1

**The staff:**

- have become very used to the style of the previous manager, Frances Davenport, who used a consultative style
- her long experience in the hotel sector from the ground up would also lead staff to trust her ability to help them.

**In contrast, Josh:**

- has arrived as a new manager with little experience in the hotel sector but a desire to concentrate all decisions around him
- the staff would be annoyed at being excluded from decision-making and also fearful of the decisions he would make
- the section heads, in particular, would feel that their power had been reduced and that they were no longer trusted.

2

**Total for this question: 25 marks**

(a) Describe the type of decision which Josh has made in deciding to establish the profit sharing scheme. (5 marks)

Level	Descriptor	Marks	Assessment Objective
2	Describes the type of decision in context.	3–5	AO2
1	Identifies the type of decision being made.	1–2	AO1

**Relevant answers might include the following:**

- the decision to introduce a profit sharing scheme is a strategic/ non-routine/ pro-active decision
- as it is a major change it will affect the business in the long term and has a wide impact
- the proposal to distribute 15% of the profits will impact on staff incomes, motivations and also affect the money left to re-invest, although Josh hopes that the extra motivation will mean that profit will increase substantially.

(b) Using **Item B**, analyse why the part-time staff may be demotivated by the changes to their working hours. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses the key factor(s) affecting motivation of the part-time staff.	7–8	AO3
2	Explains how the change in working hours might affect motivation of the part-time staff.	4–6	AO2
1	Identifies some aspects of the change proposed.	1–3	AO1

**The changes to their working hours:**

- will force them to be more flexible which may or may not suit staff
- whilst some may like more flexibility, for others it will make it hard for them to fit it around their other commitments
- the removal of guaranteed hours is potentially negative for all the staff as they will fear that this will reduce the amount of work they do and thus the money which they earn.

(c) *Discuss whether the introduction of the profit sharing scheme will help the business to prosper.* (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how the profit sharing scheme might affect business performance.	5	AO3
2	Explains how the profit sharing scheme could affect the business.	3–4	AO2
1	Identifies some possible impacts of the profit sharing scheme.	1–2	AO1

**The staff:**

- will feel that the ability to earn extra money from the profit sharing scheme will benefit them
- they will be motivated to work hard as long as they believe the scheme will reward them and that it will be operated fairly
- some staff may be concerned that they will end up working harder and not everyone will similarly commit themselves
- as long as everyone buys in to the idea of the new scheme then staff and thus business performance should improve.

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
3	Evaluates the impact the profit sharing scheme will have on the business. 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
2	Judges, with some justification, the possible impact of the profit sharing scheme. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	3–5	
1	Judges, using limited evidence, the possible impact of the profit sharing scheme. 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: 30 marks**

(a) *Using **Item C**, analyse the appropriateness of Sarah's leadership style for the climbing instructors at Bowker Leisure Ltd.* (6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses factors affecting the appropriateness of her leadership style.	6	AO3
2	Explains possible impact of her leadership style on staff.	3–5	AO2
1	Describes aspects of the leadership style.	1–2	AO1

**Sarah uses a consultative/ participative/ democratic leadership style and:**

- has faith in her staff
- believes that the staff are motivated and do not need to be constantly watched or told what to do to make a success of the business.

**Impact:**

- this has a positive impact on staff motivation as it means that they can take an active role in helping to run the business, feel trusted and responsible for their own future
- especially with the dedicated staff who do the job as much because they like climbing as because they need a job this would work very well.

(b) Sarah uses a flat organisational structure in her climbing centres. Discuss whether this would be suitable for the Council owned centre. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses whether a flat organisational structure would be suitable.	4–5	AO3
2	Explains how a flat organisational structure might or might not be suitable.	2–3	AO2
1	Identifies some features of a flat structure.	1	AO1

**A flat organisational structure:**

- works well with motivated, skilled and dedicated staff
- in her existing centres this therefore works well and Sarah is able to run a successful business with it
- it gives all staff the chance to contribute ideas and to have an input to the business
- it will also increase motivation and thus performance because staff will be keen to put across their ideas to help the business succeed
- however, a flat structure can make it difficult to manage situations where fast decisions are needed, or when some staff are not as committed
- for this reason it may not work as well in the new centre Sarah is looking at taking on.

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
3	Evaluates whether a flat structure would work in the Council owned centre. 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
2	Judges the suitability of a flat structure to the Council owned centre. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	3–5	
1	Supports a viewpoint showing some judgement. 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) *Discuss how Sarah could make the Council owned centre successful with the current staff it employs.* (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses a valid action.	4–5	AO3
2	Explains a valid action.	2–3	AO2
1	Identifies some of the issues with staff in the Council owned centre or identifies a valid action.	1	AO1

**The Council owned centre:**

- has not been a specialist climbing centre and the staff have had a mixed range of roles not totally focused on climbing
- they are also not allowed to specialise
- starting at this point it would be difficult for Sarah to empower the staff as they neither have the expertise or commitment to make a success without active management input.

**If Sarah takes on the Council owned centre:**

- she needs to put substantial management effort into building a team of specialist staff who are committed to climbing
- she could also use an existing member of staff from her existing centres to provide development support
- if she employs the existing council staff she must select those who are more interested in climbing and train them intensively.

**In the short term, however:**

- she would have to manage the Council owned centre actively, with much less empowerment and a more directive style whilst she developed the ability of the new staff to take on more of a self managed style
- this will not be easy for her as it is not what she is used to doing.

Some of the Council staff may not like these changes and leave, but others will probably be enthused once they get used to the change and prosper under the new system.

**Please turnover 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.

<b>Level</b>	<b>Descriptor</b>	<b>Marks</b>	<b>Assessment Objective</b>
3	Judges relative importance of actions. 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
2	Judges importance of actions. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	3–5	
1	Supports a viewpoint showing some judgement. 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	