



General Certificate of Education

Applied Business 8616/8619

BS12 Managing People

Mark Scheme

2010 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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	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: 26 marks

(a) (i) Explain what is meant by a 'participative leadership style' (lines 4–5). (2 marks)

Relevant answers might include the following:

- a participative leadership style is one in which managers involve staff in decision making
- staff opinions are used to help guide the development of the business.

1 mark for identification and 1 mark for development.

(a) (ii) Using **Item A**, explain **one** benefit to LOVE Ltd of using a participative leadership style. (4 marks)

Level	Descriptor	Marks	Assessment Objective
2	Uses Item A to explain how a participative leadership style would help the business.	4–3	AO2
1	Demonstrates understanding of benefit(s) of a participative style.	2–1	AO1

A participative style:

- benefits from ideas from more people which could help devise new ideas which will help the business
- helps to build staff commitment to the company which is essential if the business is to prosper.

(b) Using **Item A**, analyse why the depot managers were angry at Ben's lack of consultation. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses why the depot managers were angry at being left out of the decision making.	8–6	AO3
2	Explains some reasons why the depot managers were angry.	5–3	AO2
1	Demonstrates understanding of the general benefits of consultation.	2–1	AO1

Relevant answers might include the following:

- the staff are used to being involved in decision making and would feel annoyed that they have been left off the process this time
- they feel that they could have helped address the problems in the business if they had been given a chance
- they may feel that Ben does not trust them anymore and the statements he made in the meeting with them will probably have reinforced this
- they would also not have their esteem/safety needs met.

(c) *Ben has assured the depot managers that he will adopt a participative leadership style in the future.*

To what extent do you think that Ben's assurance will rebuild the depot managers' confidence in him? (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses whether Ben's assurance will rebuild confidence.	5–4	AO3
2	Explains how Ben's assurance may impact on their confidence.	3–2	AO2
1	Identifies a factor which may affect Ben's chances of rebuilding the staff's confidence.	1	AO1

The depot managers may react in a number of ways:

- they may accept Ben's reassurance and see his autocratic decision as a short-term response to a crisis which will not be repeated and thus accept that he will now involve them again
- alternatively, they may have lost faith in Ben to such an extent that he will not be able to rebuild their confidence and this will lead to long-term problems for the business
- some staff may wait and see what happens next before they decide whether they can trust Ben again.

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	Makes a reasoned judgement as to the likelihood of success in persuading depot managers to trust him again. 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.	7–6	AO4 and Quality of written communication
E2	Judges (using some evidence) the likelihood of success in persuading depot managers to trust him again. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Judges the likelihood of success in persuading the depot managers to trust him. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

2

Total for this question: 26 marks

(a) *The plan proposed by Ben will introduce a new layer into the organisational structure.*

Explain the impact that this may have on communication between the depot staff and the senior management. (6 marks)

Level	Descriptor	Marks	Assessment Objective
2	Explains how these changes will affect communication between the depot staff and senior management.	6–4	AO2
1	Demonstrates an understanding of how an additional layer can affect communications in a business.	3–1	AO1

Relevant answers might include the following:

- this will increase the time taken for communications between senior managers and frontline staff
- the frontline staff will now be managed by team leaders rather than senior managers and may feel more remote from senior management
- the changes will mean most staff will not see senior managers on a day-to-day basis, and this may breed distrust and a lack of awareness of what management want to achieve
- the change may reduce the ability of frontline staff's ideas or concerns to reach Ben.

(b) *Using **Item B**, analyse why LOVE Ltd's current situation may require a greater focus on strategic management.* (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses why the position in the business requires a greater focus on strategy.	8–6	AO3
2	Explains in context why more time needs to be spent on strategic planning.	5–3	AO2
1	Demonstrates understanding of the role played by strategic management in managing the business.	2–1	AO1

Relevant answers might include the following:

- until recently the business had been expanding rapidly and Ben would have spent much of his time dealing with the day-to-day impacts of this growth
- the position now being faced by the business is a serious decline in sales and this cannot be solved by a small change in tactics
- the type of changes which need to be made are long term, large scale and will impact on the whole business
- Ben, therefore, needs to invest more time in looking at the long-term direction of the business through effective strategic planning.

(c) Using **Item B**, discuss whether Zeenat is correct in wanting to focus on the day-to-day management of the company's finances rather than longer term strategic planning.
(12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses whether Zeenat is correct to say her priority must be short-term survival as opposed to strategic planning.	5–4	AO3
2	Explains why Zeenat may think she needs to concentrate on managing the business finances day-to-day.	3–2	AO2
1	Identifies some issues which may be concerning Zeenat.	1	AO1

- the business clearly needs to do something substantive to grow the business and to reverse its decline, unless it does this there is a real risk it will not survive
- a senior management team (SMT) focused on growth and strategy will ensure that the business looks at ways to grow and it is essential that someone with a financial background is involved in this
- a SMT which does not have to be concerned with day-to-day issues will allow it to have a focus on strategy, growth and development
- there is also though, as Zeenat identifies, a need to ensure that the company can manage its short-term financial position to ensure it can continue to trade, and given the feedback from the bank this is a critical issue
- Zeenat may well need to spend much of her time, at least in the short term, managing the finances of the business, although the new post of finance manager may help to relieve the pressure on her so she can also get involved in business strategy.

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	Makes a reasoned judgement as to whether Zeenat's focus on day-to-day finances is appropriate. 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.	7–6	AO4 and Quality of written communication
E2	Judges with some evidence whether Zeenat's focus on day-to-day finances is appropriate. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Judges whether Zeenat's focus on day-to-day finances is appropriate. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	

3**Total for this question: 28 marks**

(a) *Describe the type of decision which Jacques and Mary made in deciding to relocate the business.* (2 marks)

Relevant answers might include the following:

- the decision is non-routine, strategic and proactive
- it is strategic because it is a major long-term decision with a big impact on the business
- it is non-routine because it is a one-off decision
- it is proactive because it is designed to allow the business to grow.

1 mark for identification, 1 mark for development.

(b) *Explain whether Jacques and Mary can rely upon their expert power to manage the larger team at the new location.* (6 marks)

Level	Descriptor	Marks	Assessment Objective
3	Explains whether expert power may help them to manage their larger team following relocation.	6–5	AO3
2	Describes the sources of power which may help them to manage their larger team following relocation.	4–3	AO2
1	Demonstrates understanding of expert power.	2–1	AO1

Relevant answers might include the following:

- expert power can build confidence in staff and help them to see their manager as someone they respect, can trust and who knows what they are doing
- the ability of expert power to create authority, however, also depends on staff believing that the business is performing well
- a much larger business will require much more management and if the owners fail at these other management tasks their expert power alone will not be enough to maintain their authority.

(c) Using **Item C**, analyse how critical path analysis could assist in the relocation of the business to South Wales. (8 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses how CPA could help the managers control the relocation process.	8–6	AO3
2	Explains how CPA helps manage a project.	5–2	AO2
1	Identifies a feature of CPA.	1	AO1

Relevant answers might include the following:

- relocation of the business is a major project with many different aspects which will need to be managed
- relocation would have to be accomplished at the lowest cost, on time and on budget to be successful and these are the parameters which CPA is designed to manage
- the complexity of the relocation makes CPA a suitable tool as it allows several simultaneous strands of activity to be managed
- as with all CPA, the success of the plan will depend on whether the estimates of time taken on each task are correct, but this is not a problem unique to CPA and would affect the business whether or not CPA is used.

(d) *After the relocation, Jacques and Mary will have 28 staff to manage, of whom, 23 will be new employees.*

Recommend what actions Jacques and Mary could take to ensure the enlarged team at PCT operates smoothly after the relocation. (12 marks)

Level	Descriptor	Marks	Assessment Objective
3	Analyses the purpose/effect of the proposed actions on the team.	5	AO3
2	Describes how the proposed action(s) will help the team run smoothly.	4–2	AO2
1	Identifies an action which Jacques and Mary could take.	1	AO1

Managing the new enlarged team will be challenging due to the mix of existing and new staff as well as the very large increase in staff numbers.

Actions explored could include the following:

- changes to the organisational structure
- new leadership styles
- improved communication or interpersonal skills.

Allow the use of other knowledge areas from the specification which relate to improving team performance.

Success is not guaranteed and candidates may argue for or against the business operating smoothly after relocation.

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	Makes a reasoned judgement as to whether the proposed actions will help the business run smoothly. 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.	7–6	AO4 and Quality of written communication
E2	Judges with some evidence whether the proposed actions will help the business run smoothly. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication.	5–3	
E1	Judges whether proposed actions will help the business run smoothly. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication.	2–1	