



Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

Level 3 Certificate/Extended Certificate APPLIED BUSINESS

Unit 4 Managing and Leading People

Monday 21 January 2019

Afternoon

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.
- 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

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

For Examiner's Use	
Question	Mark
01–04	
05	
06	
07	
08	
09	
10	
11	
TOTAL	



J A N 1 9 A B S 4 0 1

Section AAnswer **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
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 Which of the following types of activity is usually associated with the **role of a leader**?
[1 mark]**A** Operational☐**B** Risk seeking☐**C** Risk minimising☐**D** Transactional☐

0	2
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 Which of the following is usually associated with the **role of a manager**?
[1 mark]**A** Creating an inspiring business vision.☐**B** Motivating people to believe in the vision.☐**C** Building teams to implement the vision.☐**D** Organising resources to achieve the vision.☐

0 3

A business plans to introduce new technology into its factories over an extended period of time. This **type of change** is an example of which of the following?

[1 mark]

A External and incremental change.

☐

B External and disruptive change.

☐

C Internal and incremental change.

☐

D Internal and disruptive change.

☐

0 4

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

Statement 1: A manager using **ADKAR** will implement policies to make employees aware of the need for change.

Statement 2: An important reason that managers might use **ADKAR** is that it focuses on changing individual employees' behaviour to reduce resistance to 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.

☐

4

Turn over ►



0 5

A business' employment contracts state that its workers do **not** have guaranteed hours of work each week.

Explain why increasing hourly pay rates may not meet the **motivational needs** of these employees.

[3 marks]

3**0 6**

A business has a group of employees that is highly skilled.

Explain the benefits the business might receive from using a **leadership style** that gives these employees freedom to make decisions.

[3 marks]

3

0

7

A business has a flat organisational structure.

Explain why a manager within this business may make little use of **position power**.

[3 marks]

3

Turn over for the next question

Turn over ►



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Sounds Good! is a respected music magazine produced by LWX Ltd and bought by people aged 16–30. It sells through newsagents at a price of £4.

LWX Ltd has identified some key changes in its external environment that have occurred recently.

- After years of rising pay, consumers' incomes have fallen; their pay has risen more slowly than prices. The average magazine buyer has had a 10% fall in income since 2015.
- Younger people are increasingly using online technology. Visits to the magazine's website have risen by 20% each year since 2016; printed magazine sales have fallen by 6% a year.
- Local unemployment rates have risen making it harder for those without jobs to find work.

For several years LWX Ltd has considered producing Sounds Good! online only. It has been decided that from 1 March 2019 the magazine will only be available online. This decision will cause 15 job losses and reduce work for distributors and newsagents. The magazine will be free for readers and funded through advertising.

Use **force field analysis** to analyse why LWX Ltd took the decision to publish Sounds Good! online only.

[9 marks]

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[illegible]

9

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iHeels is a business that manufactures women's shoes. It is run as a workers' co-operative.

The co-operative treats its employees in distinctive ways.

- Everyone receives the same pay, no matter what job they do. Employees on the production line making the shoes and people who work in the office, as well as those who deliver the shoes to shops receive the same rate of pay.
- Employees are encouraged to do more than one role within the co-operative. Training is provided to help employees take on new roles. Some employees do three or four different roles over a period of time.
- **iHeels** has a completely flat organisational structure. Everyone is involved in weekly meetings to make important decisions, eg whether to introduce new styles of shoes.

Giles loves working at iHeels. “It’s great that we all receive the same pay. I’m paid a good salary. We are not supervised and are trusted to do our jobs. Doing different jobs is really interesting. Everyone at iHeels has very high levels of motivation.”

Using a motivational theory of your choice, analyse the reasons for the high levels of **employee motivation** at iHeels.

[9 marks]

[illegible]

[illegible]

9

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[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

1	1
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Item A
Burnley Fine Cottons Ltd

For many years Lancashire was famous for manufacturing cotton. This changed as cotton manufacturing moved overseas, leading to many factories closing. Despite only making small and declining profits Burnley Fine Cottons Ltd (BFC Ltd) survived. Since 2015 demand for high quality cotton that has been manufactured in England has risen.

BFC Ltd has had a tall organisational structure for many years. Its junior employees have little freedom to make decisions. This has annoyed some staff, leading to complaints that jobs are boring. One commented: "With a little training we could do lots more tasks, organise ourselves and save the company money in the long-run."

Dipak Patel was appointed as chief executive of BFC Ltd in 2018. He intends to take advantage of the recent increase in demand for English cotton, and hopes it will allow the company to become more profitable. Currently it cannot afford to invest in the latest production line technology that would help it to be more efficient and sell at more competitive prices.

Dipak wants:

- to keep BFC Ltd's production costs as low as possible
- employees to produce more cotton each week.

Together these two factors will help to increase sales. Because of this, he plans to make some changes to the organisation:

- Over half of the company's middle managers and some supervisors will be made redundant.
- The organisational structure will become flatter.
- Production-line employees will be empowered and work in teams.
- Teams will have responsibility for different stages of production such as spinning, weaving and dyeing the cotton. They will make decisions on how to use resources efficiently and how to fulfil customers' orders on time.
- Overall, the number of employees will fall by 10%, despite rising sales.

Dipak recognises that these are big changes for the company. "Most employees are not used to empowerment and this will change their jobs significantly. However, many employees have been with us for a long time and I have great faith in them. I'm sure they'll enjoy the increased authority."

However, one director was concerned. "Our financial position is very weak and the redundancies will be costly. Financial constraints can make organisational change difficult, although they can be overcome."



[20 marks]

1	1
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Considering the information in **Item A**, evaluate the extent to which Dipak's use of **empowerment** and the business' **financial constraints** might affect his ability to implement this organisational change successfully.

[illegible]

[illegible]

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END OF QUESTIONS



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