



Level 3 Certificate/Extended Certificate

APPLIED BUSINESS

ABS4

Unit 4 Managing and Leading People

Mark scheme

January 2019

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1 9 1 A A B S 4 / M S

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Assessment Writer.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

Further copies of this mark scheme are available from aqa.org.uk

Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

SECTION A

The following list indicates the correct answers to be used in marking learners' responses to the multiple choice questions.

KEY LIST

01	B
02	D
03	C
04	A

- 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]

Award **1 mark** for relevant understanding of motivational needs. These are the factors (such as the desire for recognition) that have to be met to motivate employees.

Award **1 mark** for explaining that motivational needs may not be met by a pay rise if these needs take other forms such as wanting to be part of a group (social needs).

Award **1 mark** for placing argument in context of workers without guaranteed hours (zero hours contracts). The motivational needs of these employees are more likely to relate to security than pay.

- 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]

Award **1 mark** for relevant understanding of leadership styles or for naming suitable leadership style. A leader's style depends on the balance achieved between retaining authority and giving employees freedom to make decisions.

Award **1 mark** for explaining the benefits a business might receive from its managers using this leadership style/giving employees more freedom for making decisions. For example, if employees have greater freedom to make decisions they may be more motivated.

Award **1 mark** for placing the argument in the context of highly skilled workers. Thus, using a leadership style granting freedom to highly skilled employees will allow them to work more independently allowing managers to focus on other tasks.

0	7
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A business has a flat organisational structure. Explain why a manager within this business may make little use of position power.

[3 marks]

Award **1 mark** for relevant understanding of position power. Position power is based on the manager's role within the organisation – this type of power derives from seniority.

Award **1 mark** for explaining that a manager might rely on other ways of using power, for example delegation or referent power or explains why position power may not be used.

Award **1 mark** for putting in the context of a flat organisational structure. Organisations with flat structures normally have wide spans of control/few levels of hierarchy.

0 8 Use force field analysis to analyse why LWX Ltd took the decision to publish Sounds Good! online only.

[9 marks]

Level	Descriptor	Marks
3	Uses information and force field analysis to analyse the reasons why LWX Ltd decided to publish the magazine online only.	9–7
2	Uses the information when describing forces affecting the decision to publish the magazine online only.	6–4
1	Demonstrates generic understanding of force field analysis.	3–1

Possible responses include:

Knowledge and Understanding (L1)	Application (L2)	Analysis (L3)
Force Field Analysis compares the forces for change (driving forces) with those against change (resisting forces). Refers to Lewin. External forces include: • Economic • Social and ethical • Technological • Legal and political Forces for and against change can be given values (often between 0 and 5) to assess their importance. If the two sets of forces are in equilibrium then there is no impetus for change.	One force driving change is falling real incomes for consumers – including a 10% fall for magazine buyers since 2015. Fewer people will be able to afford print copies of Sounds Good! Another force driving change is the increasing use of online technology by the target group for the magazine. This encourages a move to online only production. A resisting force is that the decision will cause 15 job losses at the company and may reduce work opportunities with distributors and newsagents.	The managers at BPL Ltd took this decision to produce online because the driving forces for change (for example, falling consumer incomes and rising use of technology by the target group) are greater than the restraining forces. These restraining forces include the job losses and the difficulty of finding alternative employment. The balance between the driving and restraining forces have shifted in favour of taking the decision recently resulting in this decision.

0 9 Using a motivational theory of your choice, analyse the reasons for the high levels of employee motivation at iHeels.

[9 marks]

Level	Descriptor	Marks
3	Uses information and relevant motivational theory to analyse reasons for high levels of motivation at iHeels.	9–7
2	Uses the information to describe reasons for motivation at iHeels.	6–4
1	Demonstrates generic understanding of factors affecting employee motivation and/or motivational theory.	3–1

Possible responses include:

Knowledge and Understanding (L1)	Application (L2)	Analysis (L3)
Employee motivation can be affected by a range of financial and non-financial factors. Examples of financial factors can include hourly rates of pay or piece-rate pay rates. Non-financial factors may include being given greater authority or more interesting tasks.	Employees can be motivated by good levels of pay and the current rate for all iHeels' employees is described as 'good'.	<u>An example based on Herzberg's theories.</u> Employees at iHeels are highly motivated by a range of factors. Herzberg's two-factor theory shows why this is the case. His hygiene factors are met by having good levels of pay and working unsupervised. Thus, these factors do not demotivate. At the same time there are motivators present. Employees are given responsibility to help to make decisions and the work is interesting as it is varied. Working at iHeels gives employees positive motivators and ensures potential dissatisfiers are avoided. Motivation levels are therefore high.
	Being given interesting work is a positive motivator for employees. Doing two, three or four different jobs allows employees to have varied experiences.	
	The co-operative's employees are expected to make decisions as part of a group – this means that they are given responsibility, which is a motivator.	

1 0 Analyse why introducing a decentralised organisational structure might improve Vegan Place Ltd's organisational performance.

[9 marks]

Level	Descriptor	Marks
3	Uses information to analyse how decentralisation might improve the organisational performance of Vegan Place Ltd.	9–7
2	Uses the information when describing the effects of decentralisation on Vegan Place Ltd and/or reasons why it is needed.	6–4
1	Demonstrates generic understanding of decentralised organisational structure and/or organisational performance.	3–1

Possible responses include:

Knowledge and Understanding (L1)	Application (L2)	Analysis (L3)
Decentralisation gives authority for decision making to junior employees. Employees may be given greater authority to take decisions relating to their jobs, rather than relying on more senior employees to 'tell them what to do'. Decentralisation can lead to more (and possibly better) communication with a business. In particular there may be more upward and horizontal communication.	Decentralisation will allow the restaurant managers to make decisions about what menus to offer to their customers.	The restaurant sells throughout the UK and customers in different places may want different products. Amir's views suggest that the local managers understand their customers and are able to take effective decisions on menus, products to be stocked and information evenings. The decision to decentralise would allow local decision making which should result in customers' needs being met more fully and the organisation performing better.
	The products sold in the shops in each location may differ according to what the managers and staff of each branch want to sell.	
	The information evenings organised by the branches could differ according to the needs of their customers.	<u>Alternative argument.</u> The company's employees appear to have ideas on delivering new menus and stocking new products in the shops. Decentralisation would give the authority to take these decisions but also to communicate more with other branches to share good ideas (as Paula doesn't have them all!). This could help the business to attract new customers and improve its organisational performance.
	Employees in each branch may be able to communicate more with each other to share their good ideas.	

SECTION B

1 1

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

[20 marks]

Level	Descriptor	Marks
5	Uses Item A to develop a balanced analytical response. Analyses how empowerment and financial constraints affect Dipak's ability to implement the change successfully. Evaluation supported by analysis.	20–17
4	Uses Item A to develop an analytical response. Analyses how empowerment or financial constraints affect Dipak's ability to implement the change. Judgement supported by analysis.	16–13
3	Uses Item A to develop an explanatory response. Explains implications of empowerment and/or financial constraints on the company.	12–9
2	Uses Item A to support the response. Describes the possible use of empowerment and/or the effects of financial constraints in context.	8–5
1	Demonstrates generic understanding of empowerment and/or financial constraints.	4–1

Possible responses include:

Understanding (L1):

- **Empowerment**

Empowerment means giving employees greater control over their working lives. This grants employees increased authority to organise their own work and to make decisions without reference to managers.

- **Financial constraints**

Financial constraints are the limits on the spending that a business can undertake. This may mean that the business has a limited budget to spend and managers may have to make difficult decisions.

Description (L2):

- **Empowerment**

Dipak will empower the teams that operate in the different stages of producing cotton such as spinning and dyeing. They will be able to make their own decisions on using the available resources to produce cotton as efficiently as possible.

- **Financial constraints**

BFC Ltd is not profitable and this means it has little finance available for this change. It does not have finance available to invest in up-to-date production line technology or in training its production line employees.

Explanation (L3):

- **Empowerment**

BFC Ltd's employees have complained in the past that their jobs are 'boring' because they are not allowed to make any decisions. Empowerment will change this position as the employees will be working in teams and they will have to take decisions on how to use resources. They will not rely on managers taking decisions.

- **Financial constraints**

The company's ability to make these organisational changes is limited by its lack of finance to support it. The company does not have sufficient finance to invest in production line machinery which would help employees to produce more efficiently. It is unlikely to be able to invest in training employees to give them the skills they need for their new roles.

Analysis (L4 & L5):

- **Empowerment**

Empowering BFC Ltd's employees will assist in implementing this change successfully as the company plans to remove over half of its middle managers alongside some of its supervisors. This means that those people who took decisions in the past will not be available and other people will need to make them in their place. The company will rely on its production line workers, operating in teams to pick up these roles to allow production to continue efficiently under the new organisational structure.

- **Financial constraints**

The company does need to spend money as part of this organisational change. It is likely to have to pay substantial amounts to those employees made redundant, leaving less funds for other aspects of the changes. Its production-line employees will need some training to carry out their new roles effectively and to allow the new organisational structure to work. The company will struggle to pay for this training at the moment as profits are low and have fallen recently.

Judgement (L4):

- Empowerment is a vital part of implementing this change. The company cannot afford the latest technology for its production line and is thus reliant on its production-line workers being efficient within the new organisational structure. There is some evidence that they are bored and ready to take roles with more authority.
- It may be impossible to implement this new organisational structure without training employees for their new roles. They cannot be expected just to take on more complicated roles without some training and support.

Evaluation (L5):

- Empowerment is the key factor in the successful implementation of this organisational change. Without empowerment the new structure will not work. It is based on the company having fewer managers and supervisors and therefore demanding more of junior employees – the production line workers. Thus, empowering them is a central element of the change.
- The financial constraints faced by the company may only be short-term and they may be overcome – as the director commented. The business could become more efficient in the longer run and it will have fewer costly employees. Therefore, the financial constraints may be short-term and training could be financed by a loan.
- Thus, empowerment is a positive factor with huge potential to help implement this change and the financial constraints could be negative but should be able to be overcome.

Assessment outcomes coverage

Question	AO1	AO2	AO3	AO4
1	1			
2	1			
3	1			
4				1
5			3	
6			3	
7			3	
8	9			
9		9		
10		9		
11			9	11
Totals	12	18	18	12

Assessment objectives coverage

Question	Knowledge & understanding	Application	Analysis & evaluation	Total
1	1			1
2	1			1
3		1		1
4			1	1
5	1	2		3
6	1	2		3
7	1	2		3
8	3	3	3	9
9	3	3	3	9
10	3	3	3	9
11	4	4	12	20
Totals	18	20	22	60