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# Level 3 Certificate/Extended Certificate **Applied Business**

ABS4-Unit 4 Managing and leading people  
Mark scheme

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June 2018

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Version/Stage: 1.0 Final

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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](http://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**

|          |          |
|----------|----------|
| <b>1</b> | <b>B</b> |
| <b>2</b> | <b>C</b> |
| <b>3</b> | <b>A</b> |
| <b>4</b> | <b>C</b> |

|   |   |
|---|---|
| 0 | 5 |
|---|---|

**A retailer is considering closing some of its shops. Explain why reporting is an important role for managers in this business.**

**[3 marks]**

**1 mark** for understanding of the management role of reporting – eg providing information/knowledge/data.

**1 mark** for explaining why this role is important – eg to allow managers to take decisions/plan/make judgements on the basis of information.

**1 mark** for putting in the context of a retailer considering closing some shops – eg will need the information from reporting to help to identify which shops to close.

|   |   |
|---|---|
| 0 | 6 |
|---|---|

**Explain one way that decentralising an organisational structure may lead to effective communication within a large business.**

**[3 marks]**

**1 mark** for understanding of decentralisation.

**1 mark** for explaining how the use of a decentralised structure may affect communication within a business – eg improve it as decisions taken by those who implement them

**1 mark** for a valid explanation of how this may improve communication within a large business – scale, hierarchy, location.

|   |   |
|---|---|
| 0 | 7 |
|---|---|

**Explain one reason why the use of the Johnson & Scholes cultural web may improve employee motivation in a business.**

**[3 marks]**

**1 mark** for knowledge/understanding of the Johnson & Scholes cultural web.

**1 mark** for recognising how this may be used, possibly through an example.

**1 mark** for a valid explanation of the how a culture may improve motivation.

**0 8** Analyse how the motivational needs of Ailsa's teams influenced her choice of leadership style.

| Level | Descriptor                                                                                                  | Marks |
|-------|-------------------------------------------------------------------------------------------------------------|-------|
| 3     | Uses the information to analyse how the motivational needs of the team influenced Ailsa's leadership style. | 9-7   |
| 2     | Uses the information to describe the motivational needs of Ailsa's team and/or Ailsa's leadership style.    | 6-4   |
| 1     | Demonstrates generic understanding of motivational needs and/or leadership styles.                          | 3-1   |

**Possible responses include:**

| Knowledge and Understanding (L1)                                                                                                                                                                                                                                                                                                                            | Application (L2)                                                                                                                                                        | Analysis (L3)                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Leadership styles reflect the balance between the use of authority by a leader and the freedom given to subordinates.</li> <li>Motivation describes the factors that arouse and maintain employees' behaviour towards a goal.</li> <li>Motivational needs include physiological, social and esteem needs.</li> </ul> | The consultancy's employees are motivated by their work and love what they do, so the work itself is a motivator for them.                                              | <p>The motivational needs of Ailsa's team are typical for people whose work is highly skilled. The employees do not need to be controlled or supervised closely.</p> <p>In these circumstances Ailsa's leadership style is appropriate as it allows employees to contribute to decisions and to use their skills to satisfy the consultancy's customers.</p> |
|                                                                                                                                                                                                                                                                                                                                                             | Being given responsibility for making decisions as part of a team is an attractive part of the job for the employees and motivates them.                                |                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                             | Recognition, in various forms (either by Ailsa, the customers or by being voted as team leader for a specific job) are important forms of motivation for the employees. |                                                                                                                                                                                                                                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                             | Personal achievement is important to the employees who want to do a good job for the customers as described by the employee.                                            |                                                                                                                                                                                                                                                                                                                                                              |

|            |                                                                                                                           |
|------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>0 9</b> | <b>Analyse the effects of the change in the organisational structure on communication between employees at Gigha Ltd.</b> |
|------------|---------------------------------------------------------------------------------------------------------------------------|

| Level | Descriptor                                                                                                                                                           | Marks |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 3     | Uses the information to analyse the effects of the change in organisational structure on communication within the business.                                          | 9-7   |
| 2     | Uses the information to describe features of communication within Gigha Ltd including positive <b>or</b> negative effects of the change in organisational structure. | 6-4   |
| 1     | Demonstrates relevant generic understanding of organisational structure and/or communication.                                                                        | 3-1   |

**Possible responses include:**

| Knowledge and Understanding (L1)                                                                                                                                                                                                                                                                                                                        | Application (L2)                                                                                                                                              | Analysis (L3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Communication is the passing of information between two or more parties.</li> <li>A tall organisational structure has relatively narrow spans of control and many layers of hierarchy.</li> <li>In contrast, a flat organisational structure has wider spans of control, but few layers of hierarchy.</li> </ul> | Reducing the levels of hierarchy from eight to four will make it easier for communication to pass up and down the organisation.                               | <p>Given that there will only be four levels of hierarchy, vertical communication will be easier and the presence of senior managers on the factory floor every day will give a chance to shop-floor workers to express their views – a need identified by Ross. However, there will be very wide spans of control – for example supervisors will have to look after more people - and the flatter organisational structure might make communication difficult. Overall the impact on communication may be mixed.</p> |
|                                                                                                                                                                                                                                                                                                                                                         | Horizontal communication is also poor. Asha says that there is little opportunity to talk to other supervisors or people in other divisions.                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                         | Communication may be poor at Gigha Ltd as there are eight levels of hierarchy. Rowan, for example, has no contact with anyone who works on the factory floor. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|                                                                                                                                                                                                                                                                                                                                                         | Using teams should make it easier for production-line employees to communicate with each other.                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

- 1 0** Analyse how Raj's leadership role will differ from Mary's management role as Miller plc responds to the changes caused by Brexit.

| Level | Descriptor                                                                                                                 | Marks |
|-------|----------------------------------------------------------------------------------------------------------------------------|-------|
| 3     | Uses the information to analyse how the roles may differ for managers and leaders as a result of the changing environment. | 9-7   |
| 2     | Uses the information when describing the possible effects of the changing environment on managers and/or leaders.          | 6-4   |
| 1     | Demonstrates generic understanding of roles of managers and leaders.                                                       | 3-1   |

Possible responses include:

| Knowledge and Understanding (L1)                                                                                                                                                                                                                                                                                   | Application (L2)                                                                                                                                                                                                                      | Analysis (L3)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>The roles of managers include planning, organising, monitoring/evaluating and reporting.</li> <li>Managers will focus on minimising risk, operational issues and transactional matters.</li> </ul>                                                                          | Mary will need to plan for the changes in terms of employees and customers. She may also organise different resources, such as machinery to replace employees on the production line.                                                 | <p>Raj and Mary work together but with different roles. Raj's role entails creating the vision for how the business will respond to the change brought about by Brexit. He should have the vision and broad ideas on how to replace the EU workers and to find new customers. He must sell his vision to his managers. Managers, such as Mary will respond to his vision and draw up plans, organise resources to produce and sell to new customers. They'll also review and evaluate and report back to Raj, who may adjust his vision.</p> <p><u>Alternative approach.</u> Raj's role means that he has to focus on people within and outside the business. He has to inspire his managers and potential customers as to his vision and to transform the business as necessary to achieve success following Brexit. This may involve taking deliberate risks. Mary, and other managers, will take his vision and organise production of frozen foods with fewer EU workers while trying to minimise the risks involved.</p> |
|                                                                                                                                                                                                                                                                                                                    | Mary will have a focus on operations as a factory manager. She will want to make sure that whatever vision Raj has, she can implement it in a way that minimises risk – for example of not producing enough frozen foods.             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <ul style="list-style-type: none"> <li>Leaders are responsible for creating an inspiring vision, motivating people to believe in the vision, overseeing the implementation of the vision and adapting it as events change.</li> <li>Leaders seek risk, focus on people and transformational activities.</li> </ul> | Raj will have to create a vision of how the factory will operate after Brexit in terms of finding new customers and replacing EU workers. He will have to motivate and inspire his managers and other employees to follow his vision. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                    | Raj may have to adapt his view of the future as Brexit progresses because the effects are not clear and may change, so his vision may have to change too.                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                                                                                                                                                                                    | Raj will focus on inspiring key people such as the factory managers to believe in and support his vision for the changes needed in terms of production and new customers.                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

**SECTION B**

- 1 1** Considering the information in **Item A**, evaluate the extent to which empowerment could help Jack overcome the factors resisting his planned organisational changes.

| Level | Descriptor                                                                                                                                                                                                                              | Marks |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 5     | Uses <b>Item A</b> to develop a balanced analytical response.<br>Analyses how the use of empowerment might impact on the factor(s) that create resistance to change.<br>Evaluation supported by analysis.                               | 20-17 |
| 4     | Uses <b>Item A</b> to develop an analytical response.<br>Analyses way(s) in which empowerment may be used <b>or</b> the factor(s) overcome the factors resisting the planned organisational change.<br>Judgement supported by analysis. | 16-13 |
| 3     | Uses <b>Item A</b> to develop an explanatory response.<br>Explains way(s) in which empowerment may be used <b>and/or</b> explains factor(s) resisting the planned organisational change.<br>Judgement supported by explanation.         | 12-9  |
| 2     | Uses <b>Item A</b> to support the response.<br>Describes empowerment <b>and/or</b> the factors resisting organisational change in context.                                                                                              | 8-5   |
| 1     | Demonstrates generic understanding of empowerment and/or factors resisting organisational change.                                                                                                                                       | 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.
- **Factors resisting organisational change.** Organisational change is a process in which a business changes its strategies or working methods with the aim of improving the business' performance. Employees may resist such change for a variety of reasons including their own self-interest or because of a lack of trust of management.

**Description (L2):**

- **Empowerment.** Jack intends to empower the teams in each of the company's bookshops. This will involve allowing them to make decisions about the needs of local customers and to change opening hours or to open a café.
- **Factors resisting organisational change.** The company's employees are unhappy at the amount of change they have faced and do not think that they have benefited from it. They feel that change has made them worse off.

**Explanation (L3):**

- **Empowerment.** Tome Ltd's employees have complained about having change imposed on them without having a say. Empowerment allows them to make some of the decisions such as different opening hours and makes this change different from what they've experienced in the past.

- **Factors resisting organisational change.** The company's employees are expected to resist the change because of their earlier experiences. Previous change has not been in employees' self-interest and they have suffered in terms of increased workloads while their pay has barely risen. They would expect this change to be the same though empowerment does allow them to have some control over what is happening.

Alternative explanation: The employees have little trust in the managers and the new management team has not had time to develop this trust. Thus, they are expected to resist the change because they think that they will not benefit from it. The use of empowerment might help to change their opinions, however, as this represents a different approach to that used previously.

#### **Analysis (L4 and L5):**

**Empowerment/Factors resisting organisational change.** Empowerment represents a significant change in approach for the managers of Tome Ltd. In the past the company has imposed a series of changes on its employees without discussion and these were taken by managers at Head Office with little understanding of local conditions. This process has contributed to the poor morale of the workforce. However, empowerment gives them more control over the changes that are going to be implemented and they can make many of the decisions that will affect the future of their individual stores. Employees may feel that might lead to outcomes being better than they have been in the past. Employees' self-interest will be met by changes to pay and employment contracts. This alongside the empowerment of the workforce may help to build trust amongst the employees as it is meeting some of the criticisms of previous changes. In turn, this might make the employees more accepting of the organisational change that is currently proposed.

#### **Judgement (L3 and L4):**

The use of empowerment might help to overcome the resistance to organisational change within the business as it helps to overcome many of the issues that have caused the resistance in the past. For example, one aspect of the empowerment is that employees are to be consulted on the details of the plan before it is implemented. If this consultation is effective, and employees' views are taken on board, the organisational change may face less resistance, especially as time passes and employees realise the benefits of empowerment. It is important for the new management team to gain the employees' trust and this will take time.

#### **Evaluation (L5):**

The use of empowerment is a sensible move given the past experiences of the workforce at Tome Ltd. Without it the company would be likely to have more change imposed and led by Head Office that has been unsuccessful in the past. Empowerment could gain the support of the workforce as it has the potential to meet the self-interest of employees at work and to help to build trust between the workforce and the new management team.

However, the management team has to deliver on its promises. There are some unspecified job losses and the training needed to support the empowerment of the workforce is dependent on the financial performance of the company. If profits do not rise this might not happen and trust might not be regained. Also it may be that the company cannot afford the pay increases it has promised.

So, the effectiveness of the use of empowerment depends upon the company doing what it says it will do and being able to afford to do so.

**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        |
| <b>Totals</b> | <b>18</b>                 | <b>20</b>   | <b>22</b>             | <b>60</b> |

| 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        |
| <b>Totals</b> | <b>12</b> | <b>18</b> | <b>18</b> | <b>12</b> |