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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 3 June 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**.
- You should spend approximately 60 minutes on **Section A** and 30 minutes on **Section B**.

For Examiner's Use	
Question	Mark
1	
2	
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11	
TOTAL	

Advice

Please read each question carefully before starting.



J U N 1 9 A B S 4 0 1

IB/M/Jun19/E7

ABS4

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**Which **one** of the following features is normally associated with a **flat organisational structure**?**[1 mark]****A** Mainly downward communication**B** Many levels of hierarchy**C** Narrow spans of control**D** Use of empowerment

1**0 2**Which of the following is one of the elements that make up the **Johnson and Scholes cultural web**?**[1 mark]****A** Business vision**B** Employment contracts**C** Rituals and routines**D** Types of personality

1

0 3

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

Statement 1: Organisational culture will affect the performance of a business's teams of employees.

Statement 2: Organisational culture is a non-financial factor affecting **employee motivation**.

[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.

1

0 4

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

Statement 1: All employees being involved in decision-making is an essential part of **ADKAR**.

Statement 2: For **ADKAR** to be effective employees must first be aware of the need for 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.

1

Turn over ►



0 5

Berry Ltd is about to make a major decision on whether or not to invest £25 million.

Explain **one** reason why the company should use **force field analysis** when making this decision.

[3 marks]

3

0 6

Llan plc is a fashion clothing retailer that is growing quickly. It now has 150 shops.

Explain **one** disadvantage to the business of using a **centralised organisational structure**.

[3 marks]

3



0 7

Ball Ltd designs computer software to meet the differing needs of other businesses.

Explain **one** benefit to the company of using a **matrix organisation structure**.

[3 marks]

3

Turn over for the next question

Turn over ►



0 9

Flint Davies is a very successful entrepreneur and a man who likes to be in control. His most recent decision has been to buy WI Ltd, a company that provides car, home and holiday insurance.

He believes that WI Ltd has been poorly managed and intends to introduce two new levels of hierarchy: supervisors and senior managers. The company will have seven levels of hierarchy in future.

Introducing a taller organisational structure will have a number of implications:

- a large number of new managers and supervisors will be appointed including some from other industries, for example, banking
- the existing building is too small, so senior managers and directors will be relocated to new offices as part of the change in organisational structure
- the large teams that were used before will be disbanded and each supervisor will look after a smaller group of employees.

Dina, a manager in the car insurance section	"I am looking forward to having more time with each of the employees that I am responsible for."
Ewan, an insurance clerk	"I am a very junior employee, so it will be great to be able to ask questions and give my opinions. This is a big improvement."

Use the information to analyse the effects of the change in **organisational structure** on **communication** between employees at WI Ltd.

[9 marks]



1 0

Skomer Sounds designs and builds electronic equipment to use in computers and televisions. The business is a partnership and is owned by Emlyn and Nisha Skomer. The partners currently take almost all decisions and employees have little freedom at work.

The business has two divisions:

- Research – where new products are designed
- the factory – where the products are manufactured.

Skomer Sounds has experienced problems recently. Sales have fallen slowly but steadily and many employees have left saying they are not motivated.

Employees in the two divisions were asked why motivation levels were so low. The two views below were typical of the feedback received from each division.

<p>Sylen, who designs new products</p>	<p>“I find my work dull. I’d really like to try out some of my own ideas and make more use of my experience and skills. I spent a lot of time training and it would be exciting to experiment rather than always doing what I am told!”</p>
<p>Barry, who assembles components on the production line</p>	<p>“I am happy with my job as it is. It is simple and I don’t have to make decisions. Like many in the factory, I am only employed when needed which allows me to care for my elderly father. However, I’d work more hours if I was paid more per hour.”</p>

In response to the low level of motivation amongst employees, Emlyn and Nisha are considering taking action to empower Skomer Sound’s employees.

Use the information to analyse the possible effects of the introduction of **empowerment** on the levels of **motivation** amongst employees at Skomer Sounds.

[9 marks]



Section B

Answer the question in this section.

Total for this section: 20 marks

Read **Item A** and answer question 11.

Item A

Bardsey Ltd specialises in manufacturing prefabricated buildings. It makes all the parts for buildings that are transported and assembled quickly on the construction site to create complete buildings. Prefabricated buildings have become increasingly popular in the UK recently and the company's sales have grown rapidly. The company is located in North Wales, where most of its suppliers are also based.

Toni Pandey is the only shareholder and chief executive of Bardsey Ltd. Toni's leadership style allows a lot of freedom to her subordinates to make decisions. They describe her as 'very democratic'. There are morning briefings at the factory where employees can offer their views and influence decision-making.

The company has a highly skilled workforce. Many of its workers have been with the company for a long time. Megan has worked in Bardsey Ltd's factory for 9 years. "This is a good place to work. We are paid well and we trust Toni – she is very honest. Not much changes here and we like things the way they are."

Bardsey Ltd's financial position is not strong despite consistently rising sales. Its annual profits for the past 3 years have averaged £3.2 million. It has existing loans totalling £12.5 million and is regularly short of cash to pay suppliers.

Organisational change – the new factory

Bardsey Ltd's existing factory is struggling to produce enough prefabricated buildings to meet demand from customers. Toni plans to build a second factory 200 miles away in southern England where the company has several important customers. The cost of the factory is expected to be £29 million.

Some employees will be asked to move to work in the new factory; other staff will be recruited locally. Employees have been told that wages will not be increased for 2 years to help to pay for the new factory, but will increase quickly after 2021.

Toni has had a series of meetings discussing the plan with all employees. One director has commented that there are operational constraints as well as financial constraints that may resist opening another factory 200 miles away. Dylan, a shop-floor worker, said during one meeting that it would be much better to expand the existing factory.



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