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Centre number

Candidate number

Surname \_\_\_\_\_

Forename(s) \_\_\_\_\_

Candidate signature \_\_\_\_\_

I declare this is my own work.

# Level 3 Certificate/Extended Certificate APPLIED BUSINESS

## Unit 4 Managing and Leading People

Monday 20 January 2020

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

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

For Examiner's Use	
Question	Mark
01	
02	
03	
04	
05	
06	
07	
08	
09	
10	
11	
<b>TOTAL</b>	



J A N 2 0 A B S 4 0 1

IB/M/Jan20/E7

**ABS4**

**Section A**Answer **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 of the following actions taken by managers is an example of **the management role of reporting**?**[1 mark]****A** Buying materials needed for production**B** Hiring extra employees when sales rise**C** Preparing annual accounts**D** Researching future sales figures

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1**0 2**Which of the following is most likely to be part of the **role of a leader** within an organisation?**[1 mark]****A** A focus on operations**B** A focus on people**C** A focus on risk minimising**D** A focus on transactional issues

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1

0 3

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

**Statement 1:** A role of a manager is to monitor and evaluate organisational performance.

**Statement 2:** A role of a manager is to build teams to implement the visions of their leaders.

[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 whether each is true or false.

**Statement 1:** A business's managers are not able to influence its **organisational culture**.

**Statement 2:** A business's **organisational culture** can be a factor resisting organisational 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

D & R Hadlee Ltd is considering whether or not to replace 750 employees with production-line technology.

Explain **one** reason why the company might use **force field analysis** to help to make this decision.

[3 marks]

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3

0 6

A large supermarket chain has decided to open 25 new stores in towns across the UK.

Explain **one** reason why the **management role of organising** will be important when opening the new stores.

[3 marks]

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3



0 7

A business has had an unexpected **external change**.

Explain **one** reason why its managers may experience difficulty in responding to this external change.

**[3 marks]**

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**3**

**Turn over for the next question**

**Turn over ►**



0 8

Wasim Akram is the Chief Executive of Mirpur Ltd, a manufacturing company. Wasim is determined to improve the performance of the business. He has decided to introduce a flatter organisational structure. This decision will mean that:

- all middle managers and supervisors will be given early retirement, be redeployed or be made redundant
- forty new team leaders will be appointed to replace the middle managers and supervisors.

Employees at Mirpur Ltd have different opinions about what will happen because of these changes.

Asif, a director	I will be involved in more day-to-day issues as team leaders replace middle managers. My span of control will double. If the team leaders are not trained properly, I think I will struggle to do my job.
Heather, a newly-promoted team leader	I will have much more authority than I used to as a supervisor reporting to a middle manager. I look forward to taking on some of the middle managers' tasks with the support of my team.
Liam, a shop-floor employee	Heather will be my team leader. It will be great: I have lots of ideas and she's a good listener. My current supervisor doesn't listen to me.

Using the information above, analyse how Wasim's decision to introduce a **flat organisational structure** to Mirpur Ltd might affect **where decisions are made** within the organisation.

[9 marks]

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0 9

DC Ltd prepares, cooks and delivers pizzas. Clive Radley is its Chief Executive Officer (CEO). The company has grown quickly and has 60 outlets. Its workforce is made up of two groups.

**1 Managers**

There are 15 managers who are responsible for four outlets each. They work full-time and receive profit-related pay. Many have worked for DC Ltd for a long time.

Rachel’s views are typical of these managers. “I understand the pizza business well and I enjoy decision making and being in control. If I have any problems, I discuss them with one of the other managers.”

**2 Outlet-based employees**

Over 250 employees work in outlets and take orders, cook pizzas and make deliveries to customers’ homes. They do not have a guaranteed number of hours work each week. Little training is given to these employees.

Alastair has worked for the company for two years. “I am a student and I just do the hours I want. I rarely work with the same people and I have been here for years. Most people work here for the money and because they work the hours they want.”

**Clive’s idea**

Clive, the CEO, has decided to empower the outlet-based employees to improve the motivation of employees within DC Ltd. However, his managers worry that there will be problems using empowerment as a motivator.

Using the information above, analyse the **problems of using empowerment** to improve the **motivation** of DC Ltd’s outlet-based employees.

**[9 marks]**

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1 0

ASA Ltd manufactures high-technology medical equipment that is used in hospitals globally. The company's factory operates with eleven teams of employees. Each team produces different products for ASA Ltd's customers. The company's employees are highly skilled.

Some of ASA Ltd's production line equipment is out-of-date and breaks down frequently. The company cannot afford to replace it. During 2019, the company took at least three months to replace employees from the production line teams who left its employment. ASA Ltd has switched to new suppliers and has not received the components needed to manufacture its equipment on time.

Two of the company's senior managers have just reviewed the performance of Team E during 2019. This team manufactures blood monitoring equipment. The senior managers considered the data below.

**Selected Team E performance data, 2017–2019**

Measure of team performance	2017	2018	2019
Number of units of equipment produced	400	397	320
Number of complaints from customers	1	0	13

One manager commented: "In 2019 customers complained to us about delays in delivery of our blood monitoring equipment as well as about faulty products."

Using the information above, analyse how the **availability of required resources** may have affected the **performance of Team E** at ASA Ltd between 2017 and 2019.

**[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 

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**Item A**

Stay Ltd owns 64 hotels throughout the UK. It is part of the budget hotel market providing low-cost accommodation. Anya Shrubsole is its Chief Executive Officer (CEO). The organisation is centralised and all its hotels operate in the same way. Most communication is downwards. Many of Stay Ltd's employees only work for the business for a short time period.

Anya enjoys being 'the boss' and relies on legitimate power (particularly rewards and coercion) to influence employee behaviour. Fidel, a director, is delighted that Anya has organised a scheme whereby the company's directors are rewarded if Stay Ltd achieves financial targets.

Junior employees have different views on her use of power. Many of the company's workers are employed on temporary contracts, with the possibility of losing their job after a year. Anya uses targets such as the percentage of rooms occupied to measure staff performance. 'Underperforming' staff do not have contracts renewed and there is constant pressure to minimise costs.

Moeen, a junior employee, has worked for Stay Ltd for two years. He explained that:

- employees are 'kept in the dark' and not involved in any decisions
- the culture here is 'we do what we are told'.

Many of Stay Ltd's employees are unhappy that managers never ask for their views and hate the use of temporary contracts.

Stay Ltd has been profitable since 2011. However, it has struggled recently as new companies have entered the UK budget hotel market offering similar quality accommodation at lower prices.

**The future**

Anya is determined to cut the company's costs further so that prices can be reduced to make the company more competitive. The plan has three elements.

- 1** Increased use of technology – for example replacing receptionists with 'check-in' machines.
- 2** Employing multi-skilled staff to carry out a range of tasks including maintenance and catering.
- 3** Managers becoming responsible for a group of hotels, not just one as currently. Junior employees will take more day-to-day decisions.

Anya's plan is forecast to reduce the number of employees by 15%. Some directors have recommended the use of ADKAR to help to implement this change. Anya does not agree.









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ANSWER IN THE SPACES PROVIDED**

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2 0 1 A A B S 4

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