



Level 3 Certificate/Extended Certificate

APPLIED BUSINESS

ABS4

Unit 4 Managing and Leading People

Mark scheme

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2 3 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 Examiner.

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.

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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	D – Responsibility	[1 mark]
02	A – 1 and 2	[1 mark]
03	C – Statement 1 is true, statement 2 is false.	[1 mark]
04	B – Both statements are false.	[1 mark]

0 5

Mantel Ltd has recently merged with a competitor. Explain one reason why the new merged company might benefit from using the Johnson and Scholes cultural web.

[3 marks]

1 mark for understanding of Johnson and Scholes cultural web. (This understanding may be implicit and shown, for example, by identifying an element of the cultural web. Stories & myths, rituals & routines, symbols, control systems, organisational structure, power structure).

The cultural web is a tool used to understand organisational culture **OR** Rituals and routines are one element of the cultural web.

1 mark for stating a benefit of using Johnson and Scholes cultural web.

The cultural web can help managers to analyse culture and to highlight specific practices and beliefs.

1 mark for putting the answer in the context of two businesses that have merged.

The new company's managers will be able to identify where cultures are different and what needs to be changed.

0 6

A business with skilled employees has decided to allow its employees to make more decisions. Explain one reason why this decision might improve employees' levels of motivation.

[3 marks]

1 mark for understanding of motivation. (This understanding may be implicit).

Motivation describes the factors that arouse, maintain and channel behaviour towards a goal.

1 mark for stating why making more decisions might improve employees' levels of motivation.

Employees might be motivated due to increased levels of responsibility.

1 mark for putting the answer in the context of a skilled workforce.

Skilled employees might be motivated by being given recognition for their skills.

0 7

Tomalin Ltd has a new owner, who has communicated her business vision to employees. Explain one reason why this might help Tomalin Ltd's teams of employees to perform well.

[3 marks]

1 mark for understanding of business vision. (This understanding may be implicit).

A business vision sets out the enterprise's long-term goals or where the leader wants it to be in the future.

1 mark for explaining why employees/teams should perform well if given a clear vision of the business' aims.

This helps the business' employees/teams to take decisions that will enable the business to attain its long-term goals.

1 mark for putting the answer in the context of a business with a new owner.

The new owner is likely to have a different long-term vision from her predecessor and it is important to communicate this if employees are to work effectively.

0 8 Use the information to analyse why moving to a centralised organisational structure may have led to these changes in organisational performance.

[9 marks]

Level	Descriptor	Marks
3	Uses the information to analyse why changing to a centralised structure may have changed organisational performance. 7 marks for analysing one reason and 8-9 marks for analysing two reasons.	9–7
2	Uses the information to describe the changes that have taken place in the organisational performance following the change. 4 marks for one description and 5-6 marks for two descriptions.	6–4
1	Demonstrates generic understanding of centralisation and its potential benefits/drawbacks. 1 mark for understanding one concept and 2-3 marks for understanding of two concepts.	3–1

Possible responses include:

<p>Knowledge and Understanding (L1)</p>	<p>Application (L2) L1 + description(s) of changes</p>	<p>Analysis (L3) L2 + analysis for why changes have taken place</p>
<p>A centralised organisational structure is one where the majority of decisions are taken by senior managers at the top (or centre) of the organisation.</p> <p>Centralisation can result in more consistent and possibly better-informed decisions.</p> <p>Centralisation can demotivate employees lower down in the hierarchy and result in overworked senior managers.</p>	<p>The production per employee per week of TS Ltd’s workers has fallen significantly since the centralised organisational structure was introduced in January 2021. The production figures have fallen significantly overall and fell further in the second year of its use in 2022.</p> <p>Before the centralised organisational structure was introduced a small proportion of TS Ltd’s employees left the business each year. This increased substantially in 2021 as employees reacted to the new organisational structure by seeking employment elsewhere. The rate was lower in 2022, perhaps as people became more used to the new structure.</p>	<p>The move to a more centralised organisational structure has changed the way production line-employees work. No longer do they take day-to-day decisions. This will have resulted in lower levels of motivation as some non-financial motivational factors (such as responsibility and team working) have been removed. The outcome will be reduced productivity – as is shown in the table with a continual fall to 399 units a week per worker.</p> <p>TS Ltd’s employees are highly skilled and probably enjoyed using these skills in the workplace to take decisions. They had become used to this way of working and many did not like the change to a centralised structure. In 2021 over 5% of the workforce chose to leave reducing the number of experienced and skilled employees in the factory. This trend continued in 2022 and contributed to the fall in output.</p> <p>The centralised structure has made it harder for employees to communicate with head office. Employees feel as though they are being ignored, such as complaints about out-of-date machinery. As a result employees’ motivation has fallen, such that in 2021 over 5% of the workforce chose to leave the company and in 2022 units of production per employee per week were down to 399.</p>

0 9

Use the information to analyse why the increase in hourly pay may not meet the motivational needs of all of Berkmann Ltd's groups of employees.

[9 marks]

Level	Descriptor	Marks
3	Uses the information to analyse why the pay rise might not meet the motivational needs of all of Berkmann Ltd's groups of employees. 7 marks for analysing one employee group and 8-9 marks for analysing two employee groups.	9–7
2	Uses the information to describe the motivational needs of one or more groups of employees. 4 marks for one description and 5-6 marks for two descriptions.	6–4
1	Demonstrates relevant generic understanding of motivational needs and contracts of employment. 1 mark for understanding of one concept and 2-3 marks for understanding of two concepts.	3–1

Possible responses include:

<p>Knowledge and Understanding (L1)</p>	<p>Application (L2) L1 + a description of one or more groups' motivational needs</p>	<p>Analysis (L3) L2 + analysis for why the pay rise will not meet employee groups' motivational needs</p>
<p>Motivation describes the factors that arouse, maintain and channel behaviour towards a goal.</p> <p>Motivational needs are those factors, such as money and job security, which have to be met to motivate individuals.</p> <p>A contract of employment is a legally-binding agreement between an employer and employee.</p>	<p>The motivational needs of the employees working in Berkmann Ltd's restaurants (other than managers) will probably relate to pay. They are only paid an hourly rate 'just above the minimum wage' and this would give quite a low income. Therefore, an hourly pay rise – as offered by Markus Berkmann – may be appropriate.</p> <p>The employees engaged in delivering meals to Berkmann Ltd's customers are employed on zero-hours contracts and do not have job security or a definite income each week. The motivational needs of this group of employees are more likely to be job security giving them certainty of income.</p> <p>The managers in Berkmann Ltd's restaurants are highly skilled but have little freedom to take decisions as these are made by senior managers. The motivational needs of this group of employees will relate to having more control over their working lives.</p>	<p>The motivational needs of the different groups of employees at Berkmann Ltd differ. The restaurant-based employees have job security because they are employed on permanent contracts, but receive relatively low rates of pay. The proposed 15% pay rise is quite high and may meet their physiological needs.</p> <p>However, this pay rise is unlikely to meet the motivational needs of Berkmann Ltd's employees who deliver meals. They do not have guaranteed hours of work (or income) and a pay rise is of no benefit if there are no hours of work available. Their motivational needs would be met by job security in the form of a permanent contract guaranteeing a set number of hours each week.</p> <p>The pay rise will also not meet the motivational needs of the restaurant managers. Their motivational needs are likely to be centred on being given opportunities to make decisions and to take control. They are already paid well and a further pay rise will have little impact.</p>

1 0 Use the information to analyse why Emily’s management roles will change following RM Foods Ltd’s decision to introduce a range of plant-based alternative meat products.

[9 marks]

Level	Descriptor	Marks
3	<p>Uses the information to analyse why one of Emily’s management roles has become more important and/or another management role has become less important.</p> <p>Award 7 marks for analysis of change in roles and 8-9 marks if analysis is clearly linked to changing business environment.</p>	9–7
2	<p>Uses the information to describe Emily’s current and/or future management roles.</p> <p>4 marks for one description and 5-6 marks for two descriptions.</p>	6–4
1	<p>Demonstrates relevant generic understanding of the roles of a manager.</p> <p>1 mark for understanding one role and 2–3 marks for understanding two or more roles.</p>	3–1

Possible responses include:

<p>Knowledge and Understanding (L1)</p>	<p>Application (L2) L1 + describes current management roles (monitoring & evaluating, reporting) and/or future management roles (planning & organising)</p>	<p>Analysis (L3) L2 + analysis for why one role has become more important/one role less important – linked to changing business environment</p>
<p>A manager's roles include the following:</p> <ul style="list-style-type: none"> • planning • organising • monitoring and evaluating • reporting. 	<p>Until recently, Emily's roles as a manager have focussed heavily on monitoring and reporting. She has been tasked with monitoring to ensure that the factory operates efficiently keeping prices low for customers.</p> <p>She also has been busy reporting any changes in customers' needs to directors so that necessary decisions can be taken to alter product ranges.</p> <p>In her new position Emily will be planning for the production of a suitable range of plant-based alternative meat products. This might involve forecasting demand, identifying new suppliers and preparing the factory to start production.</p> <p>Her role will include organising the production of the new plant-based alternative meat products to be available in 9 months. This could mean she has to hire new employees and buy new production equipment, for example.</p>	<p>The development of plant-based alternative meat has altered the balance of her roles as a manager. Initially she was monitoring, evaluating and reporting on the production of a well-established range of products. This was necessary to ensure their continued success in a competitive marketplace. Little planning and organising were needed in these circumstances as there were few changes in the market or the firm's products.</p> <p>The business environment for RM Foods Ltd has changed along with consumers' tastes and fashions. From now on, Emily's role has changed and she will be planning and organising the development of an entirely new range of products to meet changing consumers' tastes and fashions. Although Emily will still have to report to the directors, relatively little time will be spent doing this and much more will be spent planning and organising the introduction of the new products.</p>

SECTION B

1 1

Considering the information in Item A, evaluate whether empowerment or financial constraints will be more important in determining if Hallie’s organisational change will be implemented successfully.

[20 marks]

Level	Descriptor	Marks
5	Uses Item A to analyse the impact of empowerment and financial constraints on Hallie’s ability to implement organisational change successfully. Uses this to evaluate which of these factors will be more important in determining success.	20–17
4	Uses Item A to develop an analytical response. Analyses how empowerment and/or financial constraints will affect Hallie’s ability to implement this organisational change effectively. Unsupported judgement on the most important factor influencing a successful outcome.	16–13
3	Uses Item A to develop an explanatory response. Explains the impact on the business of empowerment and/or financial constraints. 9–10 marks for one explanation; 11–12 for two explanations.	12–9
2	Uses Item A to support the response. Describes empowerment and/or financial constraints in context. 5–6 marks for description of one concept; 7–8 for descriptions of two.	8–5
1	Demonstrates generic understanding of relevant subject matter such as empowerment and financial constraints. 1–2 marks for demonstrating understanding of one concept and 3–4 for understanding of two.	4–1

Characteristics of different levels of answers:

Level 1:

- At this level students would simply demonstrate knowledge and understanding of relevant topics from the specification: Empowerment, leadership styles or financial constraints.
- The students would **not** make use of any aspect of the case study to develop their responses.

Level 2:

- Students reaching this level would select relevant elements from the case and describe what is happening in relation to empowering the workforce or Hallie’s leadership style.
- Students reaching the top two marks of this level would describe **more than one** relevant element.

Level 3:

- At level three students would explain the effects of empowerment, Hallie's leadership style and the company's financial position in the context of this case study. This would not be related to the proposed organisational change, but rather would explain the more general consequences for this company of these changes.
- At this level students might explain why Hallie's different leadership style could have a positive impact on the performance of the workforce.
- The higher marks (11–12) in this level can be reached by explaining the consequences of more than one of the relevant factors [leadership style, empowerment, financial constraints].

Level 4:

- At this level the student will develop analytical responses by either linking empowerment and/or financial constraints to the company's ability to implement the proposed organisational change.
- Judgement at this level will take the form of an unsupported decision that either empowerment or financial constraints will have the greater impact on the implementation of this organisational change.
- Award one mark at this level for judgement.

Level 5:

- Here the candidate will address the question fully and will make and support a judgement on whether empowerment or financial constraints will have the greater impact on the successful implementation of this organisational change.
- A student might be awarded 17–18 for an unbalanced response. For example, arguing that it is clear that financial constraints are the key factor without using empowerment within their judgement.
- We will reserve 19–20 for a more balanced evaluation which considers the relative importance of both factors before making and supporting an overall decision.

Assessment grids

Coverage of assessment outcomes

Question	AO1	AO2	AO3	AO4
01				1
02	1			
03	1			
04	1			
05		3		
06		3		
07		3		
08		9		
09			9	
10	9			
11			9	11
Totals	12	18	18	12

Assessment Objectives coverage

Question	Knowledge & understanding	Application	Analysis & evaluation	Total
01	1			1
02	1			1
03	1			1
04			1	1
05	1	2		3
06	1	2		3
07	1	2		3
08	3	3	3	9
09	3	3	3	9
10	3	3	3	9
11	3	5	12	20
Totals	18	20	22	60