



Surname _____

Other Names _____

Centre Number _____

Candidate Number _____

Candidate Signature _____

Level 3 Certificate/Extended Certificate APPLIED BUSINESS

Unit 4 Managing and leading people

ABS4

Monday 11 June 2018

Afternoon

Time allowed: 1 hour 30 minutes

- You will need no other materials.**

At the top of the page, write your surname and other names, your centre number, your candidate number and add your signature.

[Turn over]



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INSTRUCTIONS

- Use black ink or black ball-point pen.
- Answer ALL questions.
- You must answer the questions in the spaces provided. Do not write 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.
- Candidates should spend approximately 60 minutes on SECTION A and 30 minutes on SECTION B.

ADVICE

- Please read each question carefully before starting.

DO NOT TURN OVER UNTIL TOLD TO DO SO



SECTION A

Answer ALL questions in this section.

Total for this section: 40 marks

For questions 01 to 04, tick ONE box next to the correct answer.

0 1 Which one of the following is NOT a factor affecting the performance of a team? [1 mark]

A The culture of the organisation.

B The use of force field analysis.

C The resources available to the team.

D The team members' personalities.

1



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Which of the following organisational structures is MOST likely to use project teams that are formed for specific tasks? [1 mark]

A A flat structure.

B A hierarchical structure.

C A matrix structure.

D A tall structure.

[Turn over]

1



03

Read the TWO statements below and decide whether each is true or false. Then choose the correct answer below.

STATEMENT 1: Increasing hourly pay rates to improve employee performance is an example of the use of a content theory of motivation.

STATEMENT 2: Matching the reward for a task to the effort put in by an employee is an example of the use of a process theory of 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



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Read the TWO statements below and decide whether each is true or false. Then choose the correct answer below.

STATEMENT 1: When using ADKAR, employees must receive reinforcement if organisational change is to be sustained.

STATEMENT 2: Employee self-interest is always the most important 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.

[Turn over]

1



06

Explain ONE way that decentralising an organisational structure may lead to effective communication within a large business. [3 marks]

[Turn over]

3



07 Explain ONE reason why the use of the Johnson & Scholes cultural web may improve employee motivation in a business. [3 marks]

3



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0 8 Ailsa Craig owns and manages Inchcolm Consulting Ltd, a management consultancy business. Other businesses ask Inchcolm Consulting for advice when:

- facing financial or other problems
- planning and implementing major organisational change.

Ailsa's employees are experts in one or more aspects of management, including finance, tax and marketing. Different teams are assembled, following discussion, to meet the varying needs of clients. Teams elect a leader for each job – a role which is valued.

The teams enjoy working together, discussing problems and issues and using their expertise to assist the company's clients. A senior employee, whose views are typical, said, "We love our work. We make decisions on our own and want to provide top quality advice. It is great when customers recognise your skills and Ailsa is good at praising our work too."

Ailsa's leadership style allows her teams to perform independently within agreed limits. She chose this leadership style to suit the motivational needs of her team.

Analyse how the motivational needs of Ailsa's teams influenced her choice of leadership style.
[9 marks]



[Turn over]





[Turn over]





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9



09 Gigha Ltd employs over 7000 people in a large factory. The factory has four divisions manufacturing dishwashers, fridges, microwaves and washing machines.

The company has operated a ‘tall’ organisational structure with eight levels of hierarchy. Employees have complained about poor communication and a decision has been made to change to a flat organisational structure with four levels of hierarchy.

Rowan, a senior manager.	“I have no contact with anyone who works on the factory floor – ever!”
Asha, a supervisor on a production line.	“We get instructions from ‘the top’, but don’t discuss them or to talk to people in other divisions.”
Ross, a shop floor worker.	“It is frustrating not to talk to managers and give my point of view.”

Using a flat organisational structure will result in significant changes.

- A large number of experienced middle managers will lose their jobs.**
- Senior managers will have a much wider span of control but will spend time each day on the factory floor.**



- Teams will be used on all the production lines. Each team will have more employees than before.
- Supervisors will look after an increased number of teams in more than one division.

Analyse the effects of the change in the organisational structure on communication between employees at Gigha Ltd. [9 marks]

[Turn over]



[Turn over]





1 0

Raj Singh is chief executive of Miller plc, a manufacturer of frozen foods with factories in the south of England. In 2019 the UK will leave the European Union (EU) in a process known as Brexit. This will have a huge impact on the company for the following reasons.

- Many of Miller plc's sales are made to EU businesses. It may be more difficult to sell to EU customers after Brexit.**
- About 72% of Miller plc's workforce is from EU countries other than the UK. It is expected to be more difficult to hire EU workers after Brexit.**
- Brexit has caused a lot of uncertainty among all the company's employees.**

Raj has had meetings with the company's managers to discuss how the business should respond to Brexit. He is concerned that the effects of Brexit are not completely known and may change.

Mary Lewis, a factory manager, said that it is important to decide how to deal with the possible losses of sales and employees as soon as possible. "Because you are our leader, your role in this changing environment will be very different to mine, as a manager."

Analyse how Raj's leadership role will differ from Mary's management role as Miller plc responds to the changes caused by Brexit. [9 marks]





[Turn over]

9



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

Tome Ltd sells books and stationery. It was established in 1977. By 2000 it operated 33 bookshops across the UK. Since 2000 the company has suffered falling profits as it struggled against highly price-competitive rivals such as Amazon. Seven of its bookshops were closed in 2011 and 42 jobs were lost. By 2017 the morale of Tome Ltd’s workforce was very low and employees were very dissatisfied.

Katie, a sales assistant, has the same opinions as many of her colleagues. At a company meeting in October 2017 she said, “I have worked for Tome for 10 years and I am fed up with constant changes announced by Head Office. We can’t discuss these and I don’t want any more changes. We are always being told to work harder but wages have hardly increased since 2010. The managers are poor at communicating and things seem to be getting steadily worse. The company needs to think about its workers for once!”

In January 2018, a new management team was appointed at Tome Ltd with the object of achieving a rapid improvement in the company’s fortunes. The new



Chief Executive, Jack Caledonia, has developed a plan for organisational change to be implemented by November 2018.

His proposed new plan has the following elements.

- **Each bookshop would be managed by an empowered team, rather than a manager. More authority would be delegated to all employees to make decisions based on local conditions. For example, they could open a café or have different opening hours.**
- **Employees will be able to undertake training to allow them to carry out a wider range of roles within their stores. This training programme will only happen if the company makes enough profits.**
- **The company will phase out the use of temporary contracts and will review pay with the aim of raising average wages steadily over the next few years if profits are good enough.**
- **There will be some job losses from the plan, especially amongst store managers.**

Before the final decision, all employees will have the opportunity to make comments during a 2 month consultation period.

[Turn over]



1 1

Considering the information in Item A, on pages 30 and 31, evaluate the extent to which empowerment could help Jack overcome the factors resisting his planned organisational changes. [20 marks]



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END OF QUESTIONS

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Question	Mark
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