



National  
Qualifications  
RESOURCE

X810/77/01

**Business Management**

## **Marking Instructions**

Please note that these marking instructions have not been standardised based on candidate responses. You may therefore need to agree within your centre how to consistently mark an item if a candidate response is not covered by the marking instructions.



## **General marking principles for Advanced Higher Business Management**

*Always apply these general principles. Use them in conjunction with the detailed marking instructions, which identify the key features required in candidates' responses.*

- (a) Always use positive marking. This means candidates accumulate marks for the demonstration of relevant skills, knowledge and understanding; marks are not deducted for errors or omissions.
- (b) If a candidate response does not seem to be covered by either the principles or detailed marking instructions, and you are uncertain how to assess it, you must seek guidance from your team leader.

Marks will be awarded as follows for

**(i) Questions that ask candidates to 'Describe...'**

Candidates must make relevant factual points, which may be characteristics and/or features, as appropriate to the question asked. These points may relate to a concept, process or situation.

Candidates may provide straightforward points or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question

- 1 mark should be given for each relevant factual point
- 1 mark should be given for any further development of a relevant point, including exemplification when appropriate.

**(ii) Questions that ask candidates to 'Explain...'**

Candidates must make accurate relevant points that relate cause and effect and/or make the relationships clear. These points may relate to a concept, process or situation.

Candidates may provide a number of straightforward points of explanation or a smaller number of developed points, or a combination of these.

Up to the total mark allocation for this question

- 1 mark should be given for each relevant point of explanation
- 1 mark should be given for a further development of a relevant point, including exemplification when appropriate.

**(iii) Questions that ask candidates to 'Compare...'**

Candidates must demonstrate knowledge and understanding of the similarities and/or differences between things, methods or choices, for example. The relevant comparison points could include theoretical concepts.

Up to the total mark allocation for this question

- 1 mark should be given for each accurate point of comparison.

**(iv) Questions that ask candidates to 'Discuss...'**

Candidates must make a number of points that communicate issues, ideas, or information about a given topic or context that will make a case for and/or against. It is not always necessary to give both sides of the debate in responses.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point of knowledge that is clearly relevant
- **1 mark** should be given for any further development of a relevant point, including exemplification or a conclusion when appropriate.

(v) Questions that ask candidates to ‘**Analyse...**’

Candidates must demonstrate the ability to identify/describe/explain relevant parts, and the relationship between the parts and/or the whole. Candidates should be able to draw out and relate any implications and/or analyse data.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point of analysis
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

(vi) Questions that ask candidates to ‘**Evaluate...**’

Candidates must demonstrate the ability to make a reasoned judgement in terms of the effectiveness or usefulness of something based on criteria. Candidates should be able to determine the value of something within context.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point of evaluation
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

(vii) Questions that ask candidates to ‘**Explore...**’

Candidates must demonstrate the ability to carry out a detailed examination or enquiry, or follow a process in order to find out something.

Up to the total mark allocation for this question

- **1 mark** should be given for each accurate point
- **1 mark** should be given for any further development of a relevant point, including exemplification when appropriate.

## Marking instructions for each question

### Section 1

Question		Expected response(s)	Max mark	Additional guidance
1.	(a)	<p><b>manufacture in China</b></p> <ul style="list-style-type: none"> <li>• <u>industry leading technology</u> - BMW has access to the latest machinery in China which it can use to better improve the quality of its products</li> <li>• <u>China has the greatest world market for electric cars</u> - BMW cars would have to be imported into China so manufacturing there saves on transport costs</li> <li>• <u>densely populated</u> - available labour in BMW's recruitment of manufacturing jobs</li> <li>• <u>tightened monetary policy</u> - increase in interest rates means BMW may pay back more if it borrows in China compared to another country</li> <li>• <u>BMW Group is the only premium local car producer</u> - can avoid the tariffs, trade barriers and import costs which other premium producers may have to pay</li> <li>• <u>foreign ownership cap abolished in 2022/Tesla Inc</u> - rivals may enter the Chinese market due to the demand creating competition <ul style="list-style-type: none"> <li>○ may reduce sales/market share</li> </ul> </li> </ul> <p><b>use a joint venture agreement with GWM</b></p> <ul style="list-style-type: none"> <li>• <u>50:50 agreement</u> - BMW will have to split its profit with GWM <ul style="list-style-type: none"> <li>○ will not have full control over the decision-making process</li> </ul> </li> <li>• <u>Chinese manufacturer Great Wall Motor</u> - BMW will have a reduced risk of failure as it can use GWM's local knowledge of the market</li> </ul> <p><b>build a new production facility in China.</b></p> <ul style="list-style-type: none"> <li>• <u>new production facility</u> - can be tailored to BMW's requirements</li> <li>• <u>investment of ¥5.1 billion</u> - may reduce cashflow <ul style="list-style-type: none"> <li>○ BMW may borrow from a lender <ul style="list-style-type: none"> <li>▪ increase expenses (interest)</li> <li>➤ which would reduce Profit for the Year</li> </ul> </li> </ul> </li> </ul>	8	<p>Candidate responses should be based on the information from the case study.</p> <p>Candidates must discuss at least <b>one</b> impact of building a new factory, <b>one</b> impact of using a JV and <b>one</b> impact of manufacturing in China to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>A maximum of <b>4 marks</b> for general points on FDI new builds/JVs/manufacturing in China without relating them to the case study.</p> <p><b>Points must relate to BMW/the organisation.</b></p> <p>Watch for repetition.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
	(b)	<ul style="list-style-type: none"> <li>• China's balance of payments (BoP) will improve from the inward flow of capital from the <u>exporting of BMW cars</u></li> <li>• China's GDP will improve from the <u>new production facility</u></li> <li>• China's government will have to pay less into infrastructure if BMW build roads etc to support its <u>new production facility</u></li> <li>• China will benefit from direct job creation from the <u>new production facility</u> <ul style="list-style-type: none"> <li>◦ this will reduce unemployment in the <u>Jiangsu Province</u></li> <li>◦ Chinese employees will have more discretionary income/multiplier effect</li> <li>◦ job creation will increase tax revenue to the Chinese government</li> <li>◦ indirect jobs creation from the growth of local suppliers to BMW</li> </ul> </li> <li>• BMW sells <u>600,000 cars per annum in China</u> giving the Chinese people more choice           <ul style="list-style-type: none"> <li>◦ large sales revenue provides more sales tax for the Chinese government</li> <li>◦ BMW profit for the year will provide more corporation tax</li> <li>◦ greater tax revenues can be invested into bettering Chinese public services</li> </ul> </li> <li>• Chinese firms will benefit from '<u>Smart Factory</u>' technology transfer from BMW</li> <li>• <u>donations by BMW</u> alleviate financial pressures on the Chinese government to help charitable causes/help Chinese citizens</li> <li>• <u>BMW trains its employees</u> which gives China a more flexible/skilled workforce           <ul style="list-style-type: none"> <li>◦ move into jobs in Chinese companies and transfer their skills and knowledge</li> </ul> </li> </ul>	6	<p>Candidate responses should be based on the information from the case study.</p> <p>Award 1 mark for each valid explored point.</p> <p>Award 1 mark for each valid development.</p> <p>A maximum of 3 marks for general points on the impact on an economy of inward FDI, without relating them to the case study.</p> <p>Tax revenue increase can be credited multiple times if different ways of increasing tax revenue are explored.</p> <p><b>Points must relate to China/the host country.</b></p> <p>Accept any other suitable response.</p>
2.		<ul style="list-style-type: none"> <li>• <u>above-average salaries</u> - increased wage expenses/outgoings for BMW           <ul style="list-style-type: none"> <li>◦ Mayo/Herzberg argue money is not a sole motivator</li> </ul> </li> <li>• <u>continuous training</u> - may lower productivity if staff are constantly training</li> <li>• <u>talent-scouting and high-potential programmes</u> - there may not be enough internal promotion opportunities to allow staff to progress once trained so they leave           <ul style="list-style-type: none"> <li>◦ limited promotion opportunities may create internal rivalry between staff</li> </ul> </li> <li>• <u>flexible working</u> - hard to organise staff training if not all in the workplace at the same time</li> <li>• <u>sabbatical</u> - may be difficult to find cover staff so may not be granted to all staff</li> <li>• <u>teleworking</u> - may be very distracting for employees if working from home           <ul style="list-style-type: none"> <li>◦ difficult for BMW to supervise staff at home</li> <li>◦ uses a '<u>mobile basis</u>' which is subject to technical faults</li> </ul> </li> </ul>	4	<p>Candidate responses should be based on the information from the case study.</p> <p>Candidates must evaluate at least 2 challenges to gain full marks.</p> <p>Award 1 mark for each valid evaluative point.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
3.		<p><b>Lightweight Materials</b></p> <ul style="list-style-type: none"> <li>• <u>shorter production line/110 metres long</u> - smaller factory could be used which may reduce overhead costs for example electricity and heating which may improve <b>Profit for the Year</b> <ul style="list-style-type: none"> <li>◦ this will improve the <b>Profit for the Year percentage</b> ratio</li> </ul> </li> <li>• <u>shorter production time/20 hours</u> - more cars produced means more cars can be sold (<u>146,160 units in 2019</u>) which may increase the <b>Sales Revenue</b></li> </ul> <p><b>Robotic Logistics</b></p> <ul style="list-style-type: none"> <li>• <u>self-drive robots</u> - reduce the need for labour which lowers expenses and this can improve the <b>Profit for the Year</b></li> <li>• <u>sustainably powered/uses recycled batteries</u> - reduces BMW's energy expenses as batteries do not have to be replaced which improves its <b>Profit for the Year</b></li> </ul> <p><b>Data Analytics</b></p> <ul style="list-style-type: none"> <li>• <u>JIT management</u> - may improve the <b>Acid Test</b> ratio as cash is not tied up in stockpiling raw materials <ul style="list-style-type: none"> <li>◦ many orders can increase <b>Cost of Sales</b> due to frequent delivery charges</li> <li>◦ bulk buying discounts may be less which increases <b>Cost of Sales</b></li> <li>◦ less inventory held which may reduce <b>Current Assets</b></li> </ul> </li> </ul> <p><b>Energy Efficiency</b></p> <ul style="list-style-type: none"> <li>• <u>invested in wind turbines</u> - lowers <b>Current Assets</b> if purchased from cash reserves <ul style="list-style-type: none"> <li>◦ reduces BMW's energy expenses as less energy may be purchased which may improve its <b>Profit for the Year</b></li> </ul> </li> </ul>	6	<p>Candidate responses should be based on the information from the case study.</p> <p>Award <b>1 mark</b> for each valid explanation.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>A maximum of <b>3 marks</b> for general points on the impact of technology on a firm's finances, without relating them to the case study.</p> <p>The same financial data can be used for multiple technologies if different explanation used each time.</p> <p>Accept any other suitable response.</p>

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4.		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; padding: 5px;">DRIVERS</th> <th style="text-align: center; padding: 5px;">RESISTORS</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Already invested €100 million</td> <td style="padding: 5px;">Requires continuous investment</td> </tr> <tr> <td style="padding: 5px;">EV may account for 15-25% of BMW's sales revenue by 2025</td> <td style="padding: 5px;">Limited EV charging infrastructure</td> </tr> <tr> <td style="padding: 5px;">UK's 'Road to Zero' strategy</td> <td style="padding: 5px;">Competitive environment</td> </tr> <tr> <td style="padding: 5px;">Availability of incentives</td> <td style="padding: 5px;">Availability of incentives</td> </tr> <tr> <td style="padding: 5px;">Sales of EVs increased in 2019 (146,160 units)</td> <td style="padding: 5px;"></td> </tr> <tr> <td colspan="2" style="padding: 5px;"><b>Assets For Change</b></td></tr> <tr> <td colspan="2" style="padding: 5px;"> <ul style="list-style-type: none"> <li>• 10 BMW plants are already equipped to manufacture electric vehicles</li> <li>• BMW offers the widest range of EVs/9 models (established market presence)</li> <li>• Profit for the Year was €5,022 million in 2019</li> <li>• 100 years' experience of developing cars</li> </ul> </td></tr> </tbody> </table>	DRIVERS	RESISTORS	Already invested €100 million	Requires continuous investment	EV may account for 15-25% of BMW's sales revenue by 2025	Limited EV charging infrastructure	UK's 'Road to Zero' strategy	Competitive environment	Availability of incentives	Availability of incentives	Sales of EVs increased in 2019 (146,160 units)		<b>Assets For Change</b>		<ul style="list-style-type: none"> <li>• 10 BMW plants are already equipped to manufacture electric vehicles</li> <li>• BMW offers the widest range of EVs/9 models (established market presence)</li> <li>• Profit for the Year was €5,022 million in 2019</li> <li>• 100 years' experience of developing cars</li> </ul>		8	<p>Candidate responses should be based on the information from the case study.</p> <p>Award up to <b>4 marks</b> for a force field diagram:</p> <ul style="list-style-type: none"> <li>• 1 mark for 2 drivers</li> <li>• 1 mark for 2 resistors</li> <li>• 1 mark for an asset for change</li> <li>• 1 mark for differing arrows and headings.</li> </ul> <p>Award <b>1 mark</b> for each valid point of analysis.</p> <p>Up to a maximum of <b>4 marks</b> for analysis of any individual drivers and resistors.</p> <p>A maximum of <b>1 mark</b> for an overall evaluation.</p> <p>A maximum of <b>4 marks</b> if there is no diagram.</p>
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		<p><b>Drivers</b></p> <ul style="list-style-type: none"> <li>• <u>already invested €100 million</u> - BMW shareholders will want a return on this</li> <li>• <u>15-25% of sales revenue by 2025</u> - increased profit-making potential</li> <li>• <u>UK's 'Road to Zero' strategy</u> - UK demand will fall for non-electric cars             <ul style="list-style-type: none"> <li>◦ UK may embargo non-electric cars which will improve BMW's sales</li> </ul> </li> <li>• <u>availability of incentives</u> - could reduce BMW's costs if subsidised             <ul style="list-style-type: none"> <li>◦ BMW could therefore increase its supply to maximise sales revenue</li> </ul> </li> <li>• <u>sales of EVs increased in 2019 (146,160 units)</u> - trend in demand for EV purchases</li> </ul> <p><b>Resistors</b></p> <ul style="list-style-type: none"> <li>• <u>requires continuous investment</u> - may reduce retained profits</li> <li>• <u>limited EV charging infrastructure</u> - customers in some markets will not make an EV purchase until the charging infrastructure improves/limits sales for BMW</li> <li>• <u>competitive environment</u> - firms, such as Tesla Inc, may force BMW to lower its prices of EV cars in order to compete             <ul style="list-style-type: none"> <li>◦ BMW will have to heavily invest in R&amp;D to ensure its EV models have a USP</li> </ul> </li> <li>• <u>availability of incentives</u> - BMW may not qualify for them which means BMW will have to invest more funding into the strategy</li> </ul> <p><b>Overall Evaluation</b></p> <ul style="list-style-type: none"> <li>• <b>BMW Group should fully electrify its portfolio</b> - the financial resistors, for example incentive availability and investment, are minor as BMW is significantly profit-making and can afford to exploit the main benefits of fully-electrifying its portfolio and secure its strong market position</li> </ul> <p><b>OR</b></p> <ul style="list-style-type: none"> <li>• <b>BMW Group should not fully electrify its portfolio</b> - BMW should not be hasty to electrify all vehicles as some markets will not be able to provide charging stations and therefore BMW should continue to sell hybrid/petrol/diesel cars until the infrastructure improves</li> </ul>		

Question		Expected response(s)	Max mark	Additional guidance
5.		<p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• <u>energy consumption decreased</u> - reduces the cost of production             <ul style="list-style-type: none"> <li>○ BMW can make a greater profit                     <ul style="list-style-type: none"> <li>▪ cost savings could be passed onto the customer for example lower the price</li> </ul> </li> </ul> </li> <li>• <u>CO<sub>2</sub> emissions decreased</u> - less pollution to the environment             <ul style="list-style-type: none"> <li>○ may reduce carbon taxes paid by BMW</li> <li>○ may future-proof BMW from further emissions taxes</li> </ul> </li> <li>• <u>waste for disposal increased</u> - more waste to landfills/incineration             <ul style="list-style-type: none"> <li>○ BMW face greater costs for contracting/paying for legal ways to dispose of waste</li> </ul> </li> <li>• <u>renewable energy purchased increased</u> - may be cheaper for BMW to purchase energy from a third party than investing in its own renewable energy sources             <ul style="list-style-type: none"> <li>○ third-party suppliers have an improved income from BMW as a client</li> </ul> </li> </ul> <p><b>Employees and Society</b></p> <ul style="list-style-type: none"> <li>• <u>women in management increased</u> - better promotion prospects for female staff             <ul style="list-style-type: none"> <li>○ more female employees have better incomes in 2019 than in 2017</li> <li>○ more diverse leadership may introduce different perspectives</li> </ul> </li> <li>• <u>donations decreased</u> - charities incomes are reduced from less funding from BMW             <ul style="list-style-type: none"> <li>○ more pressure on governments to fund social services if charities have less income to effectively help</li> </ul> </li> <li>• <u>training days decreased</u> - less time for employees to strengthen/develop skills             <ul style="list-style-type: none"> <li>○ less training reduces expenses for BMW</li> <li>○ less employees away on training may improve productivity</li> <li>○ reduced flexibility in the workforce</li> </ul> </li> </ul>	8	<p>Candidate responses should be based on the information from the case study.</p> <p>Candidates must describe the impact of at least 2 trends to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p>Impact can be on BMW, its stakeholders, rivals, economies or the environment.</p> <p>Watch for repetition.</p> <p>Accept any other suitable response.</p>

## Section 2

Question		Expected response(s)	Max mark	Additional guidance
6.	(a)	<p><b>HUMAN RESOURCES</b></p> <ul style="list-style-type: none"> <li>• recruitment of more staff to cope with increased packing/processing/posting of inventory           <ul style="list-style-type: none"> <li>◦ increased training costs for new staff</li> </ul> </li> <li>• less staff may be required due to greater automation of processes           <ul style="list-style-type: none"> <li>◦ may have to make redundancies of retail staff</li> </ul> </li> <li>• staff may need retrained to focus on online sales</li> <li>• unsociable hour shift patterns may be introduced to cope with 24/7 ordering</li> </ul> <p><b>MARKETING</b></p> <ul style="list-style-type: none"> <li>• retail stores may be closed to concentrate on online-only distribution</li> <li>• customer profiles can be tracked (using cookies and previous order history) so marketing can be targeted to be more effective</li> <li>• promotion methods may need adapted to ones more suitable for a digital generation eg there is a shift towards streaming media, eg Netflix, so many people are not viewing traditional television adverts as often           <ul style="list-style-type: none"> <li>◦ online advertising via a website/app is cheaper than traditional methods eg radio</li> <li>◦ during the UK lockdown many organisations withdrew their online promotions because demand increased</li> </ul> </li> <li>• may have to adopt more electronic communication methods for customer services as opposed to face-to-face</li> </ul> <p><b>OPERATIONS</b></p> <ul style="list-style-type: none"> <li>• changes to operational processes may be required eg enabling payment with ApplePay rather than traditional cash/card transactions</li> <li>• may use off-site storage eg Amazon warehouses store goods for many online merchants           <ul style="list-style-type: none"> <li>◦ this will streamline lead times</li> <li>◦ this will reduce inventory holding costs eg premises and security costs</li> </ul> </li> <li>• delivery logistics may be developed eg contracts may be taken with third-party couriers like DPD or FedEx</li> </ul>	6	<p>Candidates must explore at least one possible effect on each functional area to gain full marks.</p> <p>Award 1 mark for each valid explored point.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
(b)		<ul style="list-style-type: none"> <li>• Coronavirus Job Retention Scheme ('Furlough') allows employers to claim for up to 80% of a furloughed employee's wage - lower wage expenses             <ul style="list-style-type: none"> <li>◦ meaning they do not have to make costly redundancies</li> <li>◦ protects an organisation's workforce saving them on future recruitment and training costs</li> <li>◦ Job Retention Bonus where the government will pay companies £1,000 per employee they bring back from furlough - helps to offset wage expenses</li> </ul> </li> <li>• government grant support (worth over £1 billion available) - improves a firm's liquidity without the requirement to repay the cash sum</li> <li>• Coronavirus Business Interruption Loan Scheme (CBILS) offers loans, overdrafts etc up to £5 million for SMEs - this will ease the supply of credit available to businesses which may not have had this otherwise             <ul style="list-style-type: none"> <li>◦ interest free for 12 months - allows businesses to concentrate funds on survival/core functions without cash available being reduced by interest payments</li> <li>◦ 40 accredited lenders including all major banks - all businesses have access to the financial support which will aid their debt management                     <ul style="list-style-type: none"> <li>▪ this in turn will support corporate finance markets</li> </ul> </li> <li>◦ Coronavirus Large Business Interruption Loan Scheme (CLBILS) offers loans of up to £25 million - allow finance to short-term liabilities which indirectly supports creditor businesses in the UK</li> </ul> </li> <li>• payments of VAT and Self-Assessment (SA) income tax have been deferred - aid businesses' cash flows</li> <li>• corporate insolvency changes - businesses can continue to trade while they explore rescue options which could help them avoid insolvency             <ul style="list-style-type: none"> <li>◦ suspending the offence of wrongful trading will give directors the confidence and reassurance to make difficult decisions about the future of the business without the fear of action being taken against them in the event they enter insolvency proceedings</li> </ul> </li> </ul>	4	<p>Award 1 mark for each valid explanation.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
		<ul style="list-style-type: none"> <li>• a free government-funded helpline offering advice and guidance on COVID-19 provides direction and information about current challenges facing businesses - which can aid effective decision making/contingency planning to minimise risk</li> <li>• ‘Eat Out to Help Out’ scheme where each customer gets a 50% discount on their bill (up to £10) - this will increase sales revenue as it encourages people to eat out in registered restaurants</li> <li>• additional Personal Protective Equipment (PPE) was provided to the NHS to safeguard its workers</li> </ul>		
7.	(a)	<ul style="list-style-type: none"> <li>• consulting with staff/management who are to be affected by the change</li> <li>• diagnosing what the issues are/the potential drivers and resistors to change</li> <li>• managing a budget for change</li> <li>• contract/outsource experts to assist with specialist knowledge</li> <li>• educating and inspiring employees on the reasons/benefits for the change</li> <li>• managing employees’ expectations to reduce the fear of the unknown</li> <li>• establishing the targets/strategy for change</li> <li>• defining the roles/responsibilities of key people</li> <li>• building relationships with external agencies who may be able to assist in the change process <ul style="list-style-type: none"> <li>○ negotiating with trade unions</li> </ul> </li> <li>• co-ordinating performance in order to reward individuals for being positive towards the change</li> <li>• monitoring progress of the change process against agreed targets</li> </ul>	6	<p>Award 1 mark for each valid description.</p> <p>Award 1 mark for valid development.</p> <p>Accept any other suitable response</p>

Question		Expected response(s)	Max mark	Additional guidance
(b)		<ul style="list-style-type: none"> <li>• employees become accustomed to the change as it is gradually introduced which can build confidence for the future</li> <li>• smaller changes are less threatening to staff and so are less likely to result in staff resistance             <ul style="list-style-type: none"> <li>◦ which can reduce the pressure on staff of implementing change</li> <li>◦ which can reduce the chance of industrial action/workforce disputes</li> <li>◦ can increase the speed at which change is implemented</li> <li>◦ gradual change is more manageable to control/monitor so corrective action can be taken early                     <ul style="list-style-type: none"> <li>▪ which reduce longer-term risks</li> <li>▪ reduces manager/change agent's stress</li> </ul> </li> </ul> </li> <li>• staff rewards can be linked to each piece of the change which helps motivate the workforce</li> <li>• focusing on smaller changes may detract from the overall objective</li> <li>• many small changes over time can result in a lengthy implementation</li> </ul>	4	<p>Award 1 mark for each valid evaluative point.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
8.		<p><b>Costs</b></p> <ul style="list-style-type: none"> <li>• specialisation of work can de-skill staff making the workforce inflexible           <ul style="list-style-type: none"> <li>◦ division of labour/specialisation can result in repetitive work for staff which may demotivate them</li> </ul> </li> <li>• views workers like machines and therefore does not empower or motivate them</li> <li>• employees are not only interested in financial incentives and a failure to acknowledge this can lead to a high staff turnover</li> <li>• lack of involvement or discussion with employees can result in the firm missing valuable feedback and idea generation from an operational level           <ul style="list-style-type: none"> <li>◦ staff who do not feel valued by the firm may have a high level of absence</li> </ul> </li> <li>• authoritarian management and organisation structure may lead to employee stress           <ul style="list-style-type: none"> <li>◦ conflict can arise and increase resistance from poor employee relations</li> </ul> </li> </ul> <p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• division of labour increases productivity with cost efficient use of resources           <ul style="list-style-type: none"> <li>◦ training employees to specialise improves the quality of their work</li> </ul> </li> <li>• time and motion studies help to eliminate waste in the processes</li> <li>• a hierarchical structure provides promotion opportunities which motivate staff           <ul style="list-style-type: none"> <li>◦ this can help retain competent workers/prevent them leaving for rival firms</li> <li>◦ a clear hierarchy can improve communication channels in the firm</li> </ul> </li> <li>• little upward communication may quicken decision making as there is less consultation           <ul style="list-style-type: none"> <li>◦ less confusion in the workplace as managers make all the key decisions</li> </ul> </li> <li>• scientific management believes finance is the primary motivator, so commission and bonuses are often used as rewards to motivate staff           <ul style="list-style-type: none"> <li>◦ piecemeal incentives encourage employees to work efficiently, increasing output</li> </ul> </li> </ul>	10	<p>Candidates must discuss at least <b>one</b> cost and <b>one</b> benefit to gain full marks.</p> <p>Award <b>1 mark</b> for each valid discussion point.</p> <p>Award <b>1 mark</b> for each valid development.</p> <p>Accept points related to an organisation and/or its stakeholders.</p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
9.	(a)	<ul style="list-style-type: none"> <li>• <b>co-ordinator</b> - needed to focus on the team's objectives, draw out team members and delegate work appropriately</li> <li>• <b>plant</b> - tends to be highly creative and good at solving problems in unconventional ways</li> <li>• <b>implementer</b> - needed to plan a workable strategy and carry it out</li> <li>• <b>team worker/supporter</b> - helps the team to gel using their versatility to identify work required and complete it on behalf of the team</li> <li>• <b>completer/finisher</b> - most effective at the end of the task as they ensure quality by spotting errors</li> <li>• <b>resource investigator</b> - uses their inquisitive nature to find ideas to bring back to the team</li> <li>• <b>shaper</b> - provides the necessary drive to ensure that the team keeps moving and does not lose focus or momentum             <ul style="list-style-type: none"> <li>○ this person should be suitable for a leadership role</li> </ul> </li> <li>• <b>specialist</b> - brings in-depth knowledge of the key area to the team</li> <li>• <b>monitor-evaluator</b> - provides a logical eye making impartial judgements where required</li> </ul>	6	<p>Candidates must describe at least 2 roles to gain full marks.</p> <p>Award 1 mark for each valid description.</p> <p>Award 1 mark for each valid development.</p> <p><b>Team roles have to be labelled.</b></p> <p>Accept any other suitable response.</p>

Question		Expected response(s)	Max mark	Additional guidance
(b)		<ul style="list-style-type: none"> <li>• <b>team size</b> - if a team is too large this can make interaction more difficult and create changes in the decision-making process           <ul style="list-style-type: none"> <li>○ the more members, the more complex a communication process is needed</li> <li>○ however, a broader range of experience can be brought to the table</li> <li>○ team too small may limit the skills needed to perform efficiently</li> </ul> </li> <li>• <b>sense of belonging</b> - members need to know why the team has been formed and that they have a role within the team</li> <li>• <b>communication between team members</b> - poor communication would lead to mistakes and delays</li> <li>• <b>trust</b> - team members must build up trust among themselves and accept each other's strengths and weaknesses           <ul style="list-style-type: none"> <li>○ this creates an atmosphere where members feel able to take bolder decisions</li> </ul> </li> <li>• <b>nature of the task</b> - the type of task to be carried out by the group should determine the type of group that is formed           <ul style="list-style-type: none"> <li>○ large groups are often unsuitable for problem-solving as it is difficult to encourage discussion, creativity and even involvement across many members</li> </ul> </li> <li>• <b>clarity of the task</b> - if tasks are clear and unambiguous a group can operate in a more structured way</li> <li>• <b>shared purpose</b> - each team member must understand clearly the team's work and the role of each individual</li> </ul>	4	<p>Candidates must explore at least 2 valid characteristics to gain full marks.</p> <p>Award 1 mark for each valid explored point.</p> <p>Award 1 mark for each valid development.</p> <p>Accept any other suitable response.</p>

[END OF MARKING INSTRUCTIONS]