Centre Number						Candidate Number				
Surname										
Other Names										
Candidate Signature										

For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	

General Certificate of Education
Advanced Level Examination
January 2012

Applied Business BS12

Unit 12 Managing People

Thursday 26 January 2012 1.30 pm to 3.00 pm

You will need no other materials.

Time allowed
- 1 hour 30 minutes

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.
- The maximum mark for this paper is 80.
- Questions 1(c), 2(c) and 3(c) should be answered in continuous prose. In these questions you will be marked on your ability to:
  – use good English
  – organise information clearly
  – use specialist vocabulary where appropriate.

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Answer **all** questions in the spaces provided.

1 Read **Item A** and then answer the questions that follow.

Item A

Clean Up Ltd

Clean Up Ltd specialises in cleaning industrial premises after chemical spillages, fires or other major incidents. The business undertakes work which is dangerous and requires high levels of skill to ensure that the right chemicals, equipment and processes are used to make premises safe.

Very detailed rules have been developed to ensure that both *Clean Up Ltd's* workers and the public are safeguarded. In developing safety rules, the managers of *Clean Up Ltd* try to be proactive by predicting incidents which may happen and developing suitable responses. However, the *Clean Up Ltd* teams sometimes have to make reactive decisions when dealing with problems which were not predicted.

Recently, the business has won a major contract to provide training to businesses on how to reduce the risk of chemical spillages. When the contract was announced to staff, the responses were very mixed.

Some staff were pleased at the chance to take on the training role, which they thought might give them new career opportunities. Others said that they found training boring and repetitive as they enjoyed the challenge of dealing with incidents.

As a result, some staff have become demotivated. Recently, a small delegation met with Matt Davies, the Managing Director. They said, "We don't enjoy training and it is not what we joined *Clean Up Ltd* to do. We will find it boring working through the same standard routines to train clients' staff and we will not get enough hands-on practice dealing with incidents to maintain our own skills.

"Is it possible to employ trainers to run the courses, while we concentrate on dealing with incidents? We are happy to work with you to decide how to design the training courses but don't want to work for *Clean Up Ltd* if we have to become trainers rather than the emergency workers we qualified to be."

Whilst Matt has some sympathy with the staff concerned, he has tried to explain that, in his opinion, the best trainers were those who had first-hand experience of dealing with incidents and not those who simply followed safety procedures from a book. He has also said that, without the training part of the business, some staff might lose their jobs because the number of industrial incidents would continue to fall as safety improves.

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1 (a) (i) Explain what is meant by 'reactive decisions' (line 9).

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1 (a) (ii) Explain why *Clean Up Ltd* needs to use both proactive decision making and reactive decision making to deal with incidents.

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1 (b) Using **Item A**, explain why the new training contract might motivate some of the staff at *Clean Up Ltd*.

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1 (c) Should Matt be concerned about the threats of some of his staff to resign?
Use **Item A** to justify your answer.

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2 Read **Item B** and then answer the questions that follow.

Item B

Clean Up Ltd faces its biggest challenge

On 15 January 2012, a chemical plant exploded and caused widespread damage on an industrial estate. Whilst no one was killed or injured in the explosion, the emergency services put an exclusion zone of 500 metres in place. The day after the explosion, Matt Davies was asked to have *Clean Up Ltd* teams on site within 24 hours to start the cleaning up process.

Matt normally used a consultative leadership style but in emergencies he changed to an autocratic style where all decisions had to be agreed by him. During this incident:

- Matt was to assume total control of all operations
- teams of six operatives would be led by a team leader whose only role was to ensure the safety of the team as they worked.

Before any teams went onto the site, Matt briefed them and made it clear that he did not want them to think for themselves in such a dangerous situation. He insisted that they followed the instructions laid down in the procedure manuals. These manuals took the team leader through a set of instructions on what to do next at each stage of the process.

On day three of the operation, a team which had been assigned to one of the most badly affected areas on the industrial estate had to withdraw after three team members nearly collapsed. Unfortunately, the procedure manual that they were using had not foreseen the risk that faced them.

After the team was evacuated, the Team Leader stormed into Matt's office and said, "You nearly killed us all. I knew the area wasn't safe, but the procedure manual said the conditions there were not a problem. Why can't we think for ourselves when it is our lives on the line?"

2 (a) Using **Item B**, explain the type of power being used by Matt Davies.

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2 (b) Analyse why Matt adopted an autocratic leadership style in the situation described in **Item B.**

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2 (c) Do you think that Matt should adopt a laissez-faire style of leadership to make the most effective use of the Team Leaders' expertise? Use **Item B** to justify your answer.

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3 Read **Item C** and then answer the questions that follow.

Item C

Wetherby Associates Ltd

Wetherby Associates Ltd is a successful company which provides marketing services to commercial clients. It was set up by Emma Wetherby, in the 1980s, who used a very hierarchical structure, with staff progressing from trainees all the way to team managers.

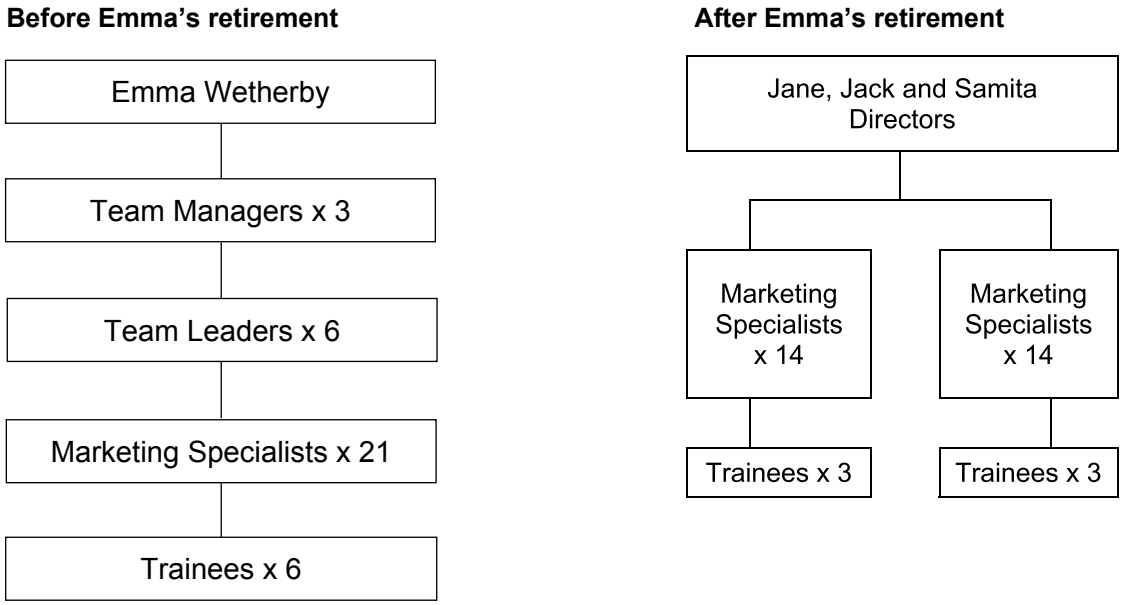
After Emma retired, her daughter Jane took over the company. Jane did not think that she had the skills to run the business alone, and so asked two of the team managers, Jack Smith and Samita Raz, to suggest how to safeguard the business's future. Following a meeting, Jane agreed to become Chairman of the Board, but the management of the business would be undertaken by Jack and Samita as Directors.

Jack and Samita assumed control immediately and began to concentrate on improving efficiency. When the change in leadership was announced to staff, many of them were in shock because they had no idea that the talks had even been taking place.

By early 2012, tensions had emerged within the business. Jack and Samita had de-layered the business by removing the team manager and team leader roles. They said that this would make it easier for staff to talk to senior management. However, removing the layers had upset some young ambitious staff as they believed this had reduced progression opportunities.

Jack and Samita also told staff that they wanted them to make their own decisions and asked all staff to give them a weekly written update on progress with their projects. However, staff were concerned that it often took over three weeks for Jack and Samita to respond to problems that they had raised in their reports.

Figure 1: Business structure of Wetherby Associates Ltd



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3 (a) Using **Item C**, explain how the type of decisions which Jack and Samita make will change now that they are directors of the business.

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3 (b) Using **Item C**, analyse the effects of the changes to the organisational structure on *Wetherby Associates Ltd*.

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3 (c) Recommend further changes that could be made to the organisational structure to improve the speed of decision making at *Wetherby Associates Ltd*. Use **Item C** to justify your answer.

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END OF QUESTIONS

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