



A-LEVEL

Applied Business

BS12 Managing People

Mark scheme

8610
June 2015

Version 1.0 Final

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 Assessment Writer.

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.

Further copies of this mark scheme are available from aqa.org.uk

ADDITIONAL GUIDANCE FOR MARKING SCHEME

| | Assessment Objectives |
|--|--|
| | The Assessment Objectives represent those qualities which can be demonstrated in students' work and which can be measured for the purposes of assessment. |
| AO1 Knowledge, skills and understanding | Students demonstrate knowledge and understanding of the specified content and relevant business skills. |
| AO2 Application of knowledge, skills and understanding | Students apply knowledge and understanding of the specified content and relevant business skills. |
| AO3 Research and analysis | Students use appropriate methods in order to obtain and select information from a range of sources to analyse business problems. |
| AO4 Evaluation | Students evaluate evidence to reach reasoned judgements. |
| Quality of Written Communication | <p>The quality of written communication is assessed in all assessment units where students are required to produce extended written material. Students will be assessed according to their ability to:</p> <ul style="list-style-type: none"> • select and use a form and style of writing appropriate to purpose and complex subject matter • organise relevant information clearly and coherently, using specialist vocabulary when appropriate • ensure that text is legible, and that spelling, grammar and punctuation are accurate, so that meaning is clear. <p>The assessment of the quality of written communication is included in Assessment Objective 4.</p> |

1

Total for this question: 28 marks

| | | |
|--------------|---|------------------|
| 1 (a) | Using Item A , explain why Brian's leadership style might be described as paternalistic. | [4 marks] |
|--------------|---|------------------|

| Level | Descriptor | Marks | Assessment Objective |
|-------|--|-------|----------------------|
| 2 | Uses Item A to explain the meaning of a paternalistic leadership style. | 4–3 | AO2 |
| 1 | Demonstrates an understanding of a paternalistic leadership style. | 2–1 | AO1 |

Relevant answers might include the following:

Definition – Paternalistic leadership is where the leader takes interests of workforce into account when making decisions, consult. Ultimately, they retain control and only delegate small decisions. This often results in low turnover, strong loyalty.

Ways in which paternalistic leadership has been used in Item A:

- Brian has used paternalistic leadership style when speaking to the staff and listening to them when talking about their plans for days off.
- Brian has used incentives such as flexible working hours, a seasonal bonus and the organisation of a social group as he has the interests of the workforce when deciding on motivating factors.

1 (b) Using **Item A**, analyse how Brian's leadership style has affected the motivation of the Crown Hotel's staff.

[9 marks]

| Level | Descriptor | Marks | Assessment Objective |
|-------|--|-------|----------------------|
| 3 | Uses Item A to analyse how Brian's leadership style impacts on the motivation of the Crown Hotel's staff. | 9–8 | 3 |
| 2 | Uses Item A when explaining factors affecting staff motivation. | 7–4 | 2 |
| 1 | Demonstrates an understanding of how leadership style affects motivation. | 3–1 | 1 |

Relevant answers might include the following:

Knowledge and Application

- *taking an interest in the workforce when making decisions*
- *retain control over most decision-making and only delegate minor decisions to subordinates*
- *workforce are regarded as part of an extended family*
- *low staff turnover*
- *introduction of social club for employees to motivate workforce*
- Brian's paternalistic style would impact slightly on the part-time staff because they would not be involved in any of the motivational factors as they are purely aimed at full-time staff
- the Crown Hotel has a low staff turnover so would indicate a loyal workforce which is an indication of a successful use of the paternalistic style
- however, Brian's paternalistic leadership style would not benefit the part-time staff as they may not want to be involved in any decision making and would prefer to simply be directed what to do and paid to do it. However, this would not motivate them to work hard which is also an indication that this leadership style is ineffective
- the part-time staff are demotivated due to loss of hours. This affects the job security and causes concern amongst the part-time staff.

Analysis

The impact of Brian's paternalistic leadership style will have an effect on the motivation of Crown Hotel's staff:

Motivated:

- Brian would believe that part-time workers are motivated by money (McGregor -Theory X manager) rather than the performance of the hotel. This would suggest that they are only there to earn money rather than care about the quality of the work they are doing. This is shown in the decline in quality of rooms and restaurant. However, because they are lower skilled, the part-time workers could appreciate Brian's paternalistic style as they would feel valued and their position would be sufficient to achieve the lower needs of Maslow's hierarchy. This indicates that the part-time workers fulfil their safety and physiological needs by working there under Brian's leadership. Whereas, the full-time staff achieve their social needs by being part of the same team for a number of years. With Brian's introduction of the social club, the full-time staff are able to mix and socialise with other members of the hotel team.

Demotivated:

- As the impetus of the decision making has been made by Brian, this has resulted in the hotel becoming less responsive and decision making is slowed down resulting in time being lost which has caused the problems with the Crown Hotel such as the rooms and restaurant being poorly taken care of and standards worsening. With Brian's insistence in making all the decisions it has not enabled the staff to progress within the hotel so they are unable to fulfil their esteem needs. Also due to Brian's more stern/strict leadership approach to dealing with the staff concerns, absenteeism of part-time staff has increased resulting in standards declining. Also, the refusal of Brian to involve his staff in the major development of the hotel has caused his staff to become demotivated causing them to feel that they do not belong to the group. This would stop them progressing up Maslow's hierarchy.

1(c) Do you agree with Caitlin that empowering the Crown Hotel's staff will improve their working performance? Use **Item A** to justify your answer.

[15 marks]

| Level | Descriptor | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 3 | Uses Item A to analyse the possible impact of empowerment on the Crown Hotel's staffs working performance. | 8–6 | AO3 |
| 2 | Uses Item A when explaining the purpose(s) of empowering staff. | 5–3 | AO2 |
| 1 | Demonstrates a generic understanding of empowerment. | 2–1 | AO1 |

Relevant answers might include the following:

Definition – Empowerment is the process of allowing subordinates to have greater control over their working lives by letting them make many of their own decisions.

Knowledge and Application:

- *identifies that Caitlin has a participative leadership style where she is looking to encourage everyone to work better and has built her view for the development around them*
- empowerment improves the motivation of the staff through giving them the responsibility for their own work and opportunity to decide the organisation of their working day
- the reduction in close supervision will give Caitlin more time to improve areas of weakness such as the rooms and restaurant
- Caitlin is a relatively inexperienced manager so her changes are theoretical and have not been tested before in the hotel. This is due to Brian always making the decisions. So, through the use of empowerment, Caitlin will encourage people to work with her to support the change.

Analysis:

Empowerment will have an effect of:

- use of motivational theories (McGregor and Maslow) and the key concepts of empowerment such as Theory Y employees will work well without supervision, how they will seek satisfaction from work rather than financial rewards. This is vital as the Crown Hotel is suffering from a decline in sales so paying staff a bonus is limiting their potential as they work for the hotel because they feel valued not because of the financial rewards. Also Maslow's esteem needs would be met and would enhance motivation of participative staff
- there may be issues of giving unmotivated staff responsibility which could lead to the standard worsening and them gaining too much power which would cause problems for Caitlin and her decision making. Also if they are unmotivated, they may make bad decisions which would also lead to the performance of the hotel deteriorating even further
- training the staff will take time and resources to ensure the empowerment policy is to succeed so the benefits may only be seen in the long term. In the short term, empowerment will not enable the Crown Hotel to improve staff performance. This would therefore reduce the success of Caitlin's plan

- a move to empowerment of staff could result in them feeling too much pressure resulting in greater absences and more work for others and a sense of demotivation and declining performance of quality
- staff have been there a long time (over 10 years) and therefore should have the knowledge and experience to have more control over their working lives, eg staff should be able to respond to the market demand and have some say in decision making in the hotel, this is because they will have more knowledge than Caitlin in this area. This will improve their areas but, without further training and supervision, the changes could be slow. Which is more important, the restaurant or hotel bedrooms?
- staff may feel safer in their positions - they were worried about the change of management and their future and this should make them feel valued and needed and therefore more secure and motivated. This will encourage the staff to work better and performance will improve.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses students' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the student orders and communicates his/her ideas.

To access E3, judgement must be made on the relative appropriateness of empowerment for improving the working performance of staff.

| Level | Descriptor | Marks | Assessment Objective |
|-------|---|-------|--|
| E3 | Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication. | 7–5 | AO4 and Quality of written communication |
| E2 | Offers judgement with supported justification. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication. | 4–3 | |
| E1 | Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication. | 2–1 | |

Evaluation:

- an identification of the positives of Caitlin's empowerment idea but consideration of a more short-term approach is needed to improve performance
- Caitlin's approach to empowerment is appropriate to some members of staff but not all such as restaurant and cleaning
- the staff have been used to Brian telling them what to do so they may struggle to understand what is expected of them which would result in performance declining or not improving
- do the staff have the desire to take greater control of their working environment?

- however, the staff believe Caitlin is not suitable so they could ignore instructions and the empowerment would be lost.

2**Total for this question: 28 marks**

| | |
|--------------|---|
| 2 (a) | Using Item B , explain why Caitlin’s decision to implement her plan was strategic. [4 marks] |
|--------------|---|

| Level | Descriptor | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 2 | Uses Item B when explaining the strategic nature of the decisions. | 4–3 | 2 |
| 1 | Demonstrates an understanding of strategic decision making. | 2–1 | 1 |

Definition – Strategic decisions have a long-term implication on the business (Crown Hotel). They are made by senior managers (Caitlin). These decisions are only made after analysing and gathering relevant data.

Relevant answers might include the following:

The types of strategic decisions that Caitlin has made are:

- the modernisation of the Crown Hotel with the focus on business events has changed the company dynamic because before they were dependant on tourists but by moving into events this targets a new customer base and potential subsequent income
- also with the change, added costs are incurred. These will be repaid over the long term using the improvement in the hotel’s customer base
- Caitlin’s decision to change the Crown Hotel’s company structure by introducing a new level in the hierarchy with two managerial posts could only be made by her as she is the most senior manager.

2 (b) Using **Item B**, analyse how adding a new layer of management might improve the flow of information through the Crown Hotel.

[9 marks]

| Level | Descriptor | Marks | Assessment Objective |
|-------|--|-------|----------------------|
| 3 | Uses Item B to analyse factor(s) improving the flow of information through the Crown Hotel. | 9–8 | AO3 |
| 2 | Uses Item B when explaining the flow of information through the Crown Hotel. | 7–4 | AO2 |
| 1 | Demonstrates generic understanding of the flow of information within organisation structures. | 3–1 | AO1 |

Relevant answers might include the following:

Knowledge and Application

- *an understanding of the new organisational structure and how Caitlin, Susan and Joe make the decisions which ensure the Crown Hotel achieves its objectives*
- the new organisational structure would ensure that the overall performance of the Crown Hotel is co-ordinated and is rapid as only Caitlin, Susan and Joe need to be involved
- as there are only three layers to the hotel the flow of information can be fast and effective with the staff as they can inform the managers of any issues which can then feedback to Caitlin in their weekly meeting
- The new management layer of Susan & Joe would allow them to focus on their respective areas which may improve the flow of the information in the Crown Hotel
- as Caitlin is responsible for Marketing and Sales she can inform Susan and Joe of the strategy that they are targeting to enable them to plan and prepare for business events to achieve the objective.

Analysis:

The improvements to the flow of information through the Crown Hotel:

- the exchange of information is essential to the Crown Hotel improving and a move to a new organisational structure will improve the communication as the decisions can be made lower down the staffing structure (Susan and Joe), making it easier and quicker to discuss any decision that has been made. Caitlin's use of team meetings every week is essential to ensure that both Susan and Joe can communicate any issues and identify potential problems with staffing when co-ordinating the business events. This is very important to gain a co-ordinated approach to the Crown Hotel
- the staff feel greater valued as they are able to contribute to the decision making process through the managers (Susan and Joe) and thus avoid having to wait to hear from Caitlin. This will speed up any process which often results in timescales being reduced and better use of the staff's time such as improving the quality of the areas identified by Caitlin
- the impact of the flow of information will be down to how approachable Susan and Joe are and how receptive they are to ideas from their staff. If they fail to respond to staff concerns, they may demotivate staff causing further problems with the implementation of Caitlin's plan.

2 (c) To what extent do you think that the new organisational structure will help to achieve Caitlin's objective of increasing sales? Use **Item B** to justify your answer.
[15 marks]

| Level | Descriptor | Marks | Assessment Objective |
|-------|--|-------|----------------------|
| 3 | Uses Item B to analyse the extent of the new organisational structure to achieve Caitlin's objective. | 8–6 | AO3 |
| 2 | Uses Item B when explaining how the new management level benefits the organisational structure. | 5–3 | AO2 |
| 1 | Demonstrates a generic understanding of how an organisational structure affects business performance. | 2–1 | AO1 |

Relevant answers might include the following:

Knowledge and Application:

The impacts of an organisational structure on achieving a business's objectives:

- *improvement by which communication passes through the business*
- it will give the Crown Hotel some structure of authority and who to turn to if a problem arises
- the new structure will eventually reduce costs which is important to develop a competitive strategy
- the managerial level will introduce a span of control for the new managers. This will show staff who they are accountable to
- the introduction of the managerial layer would take advantage of the experience within the hotel and could motivate the other workers to perform better and produce an increased service for the business events.

Analysis:

The impact will have an effect of:

- the changed organisational structure would allow the managers to keep close control over the activities of their subordinates (staff). As a result, the communication will be improved allowing for a better share of ideas. Errors will also be avoided resulting in a more cohesive approach to be taken to achieve the Crown Hotel's objectives
- the increased income / sales gained from the business events would be reduced as the managers would need to be paid more. It may therefore take longer to gain the money needed to continue the redevelopment of the hotel and succeed in improving its customer base
- due to Susan and Joe being newly promoted and inexperienced managers with only receiving two weeks training, this may lead to a decrease in sales as some decisions made could be incorrect
- the change in company structure would increase the training costs as the staff would need constant monitoring in the short term and retraining which would cause the profits made to be reduced. Thus taking longer to improve the standards of the hotel's rooms and restaurant. This would impact significantly on Caitlin's objective of increased customer base through the targeting of business events

- whilst the managers (Susan and Joe) are preparing and running the corporate events, they would not be able to complete any other work in the hotel which could cause standards to drop once again and customers to complain
- however, an improved structure gives staff greater authority to complete their work which ultimately, could lead to improved performance and better quality of work
- the introduction of the managerial level would give Caitlin less workload because the decisions about the business events matters are made lower down. This would allow her to spend more time on the other areas that need improvement such as Marketing and Sales
- however, the new structure does not rectify the reason why the hotel sales have declined (standard of the rooms and food). So, by itself, the structure will not solve the immediate issues and achieve Caitlin’s objective.

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses students’ quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the student orders and communicates his/her ideas.

To access E3, judgement must be on the relative appropriateness of the new organisational structure and its suitability to achieve Caitlin’s objective.

| Level | Descriptor | Marks | Assessment Objective |
|-------|---|-------|--|
| E3 | Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication. | 7–5 | AO4 and Quality of written communication |
| E2 | Offers judgement with supported justification. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication. | 4–3 | |
| E1 | Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication. | 2–1 | |

Evaluation:

- with the implementation of the managerial level, the new organisational structure is suitable as they will be required to make decisions rather than be told what to do by Caitlin. This would allow the business events to be targeted without impacting on the day-to-day running of the Crown Hotel
- a degree of the old structure is still needed as the managers would still need to be informed by Caitlin about decisions that affect the future of the Crown Hotel

- Caitlin is keen to remain in control of the company and the introduction of Susan and Joe would reduce Caitlin's role within the company which is something that she is keen to avoid as she needs to develop the future of the hotel and retain the family legacy
- however, an alternative would be moving the managers to form into a matrix structure which works alongside the hotel. This would reduce any impact and confusion that could happen between the managers and staff.

3

Total for this question: 24 marks

3 (a) Using **Item C**, analyse the importance of Caitlin's management skills for the successful implementation of her plan.

[9 marks]

| Level | Descriptor | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 3 | Uses Item C to analyse the importance of Caitlin's management skill(s) to ensure the plan is implemented successfully. | 9–7 | AO3 |
| 2 | Uses Item C when explaining the skills that Caitlin needs to use to implement the plan. | 6–3 | AO2 |
| 1 | Demonstrates generic understanding of the types of skills managers use. | 2–1 | AO1 |

Relevant answers might include the following:

Knowledge

The identification of the skills that can be used to ensure her plan is implemented:

- **technical skills** – the ability to analyse data to develop a strategic approach to develop the long-term strategy / plan of the Crown Hotel
- **organisational skills** – to successfully implement the plan a key focus will be on these skills in the form of time management, creating effective teams, planning the workload and setting achievable targets for the managers and staff
- **interpersonal skills** – to implement the plan a need to work successfully with others within the Crown Hotel is essential. Without this skill, the implementation will be limited
- **communication skills** – the need to communicate the vision and plan for the hotel is essential for the staff to understand why the change has happened. It should take the form of meetings and discussions with all the staff.

Application

- due to Caitlin having a degree in Marketing she has a range of the **technical** skills needed to tackle some of the issues facing the Crown Hotel (Marketing)
- her **organisational** skills are shown throughout her management style and have been integral to the plan to develop the hotel and planning the timescale for the changes to be implemented
- Caitlin has clear **interpersonal** skills as she has worked successfully with others. This skill is an essential element to ensuring that the plan is successfully implemented as without it Caitlin may not be able to motivate the staff to improve
- the need to **communicate** her ideas and objectives to the managers and staff is essential to the implementation of her plan. She holds meetings to discuss ideas and issues and listens to the managers' ideas.

Analysis

- Caitlin's Marketing degree and subsequent knowledge will give the Crown Hotel a much needed plan to develop a successful marketing strategy which is part of her overall development idea. This is a key part of the plan but will only be useful if the other parts of the development plan are instigated first as the quality of the rooms and restaurant are key
- it is essential that Caitlin holds her regular meetings with her managers as it is important to them and their development that they are spoken to and involved in the decision making process as they are the section managers for the new teams. These meetings will allow the staff's goals to be set and then the senior managers will be able to communicate with their teams directly to ensure that there is a co-ordinated approach to successfully implement Caitlin's plan
- this will have a direct impact on Caitlin's ability to motivate her staff and managers to implement the plan. She has used her interpersonal skills well resulting in the staff beginning to admire her and feel greater valued than they did when they worked for Brian
- however, probably the most effective skill for Caitlin is her organisational ability. This is because it will be essential for Caitlin to set achievable targets and goals for the staff. It will lead to the managers creating an effective team as the success of the plan relies on the staff to deliver the improved quality that is needed to create a better competitive edge for the Crown Hotel
- the greatest area that Caitlin needs to improve is her communication and interpersonal skills as she needs to converse with Susan and help her to get over being passed over for promotion. If Caitlin can do this, she will have a greater success of implementing her plan.

3 (b) Do you think that Caitlin has sufficient power to implement her plan? Use **Item C** to justify your answer.

[15 marks]

| Level | Descriptor | Marks | Assessment Objective |
|-------|---|-------|----------------------|
| 3 | Uses Item C to analyse the ability of Caitlin to implement her plan. | 8–6 | AO3 |
| 2 | Uses Item C when explaining the types of power needed to implement Caitlin's plan. | 5–3 | AO2 |
| 1 | Demonstrates generic understanding of the types of power. | 2–1 | AO1 |

Relevant answers might include the following:

Knowledge

The identification of the types of power used to implement her plan:

- **coercive** – this power is based upon the staff's fear of Caitlin. This power would be used to ensure that her orders are carried out to implement the plan
- **reward power** – the need to provide rewards to the staff for the successful implementation through improved pay, promotion or recognition. This is used to encourage good performance through encouragement rather than threats (coercive)
- **legitimate power** – this power is evident through the organisation with the two managers (Susan and Joe) and Caitlin. It comes from the position within the Crown Hotel
- **referent power** – this comes from the charisma that the managers have and use to motivate the workers. The staff are more likely to follow a manager they admire
- **expert power** – this is essential to making decisions and the use of this skill will ensure the plan is implemented because staff are more willing to follow suggestions.

Application

- Caitlin is charismatic as she strongly believes in developing two employees which indicates the use of referent power
- she has used reward power through the change in organisation structure with the introduction of the two managers
- as Caitlin has a degree in Marketing she will be using expert power when developing the role of Marketing and Sales Manager in order to prepare the plan and ensure issues are dealt with effectively
- a stronger form of power such as coercive or legitimate power is needed to implement her plan
- her legitimate power is new and, as such, Caitlin has not been tested as to warrant this type of power as it comes from her position (General Manager) and being the daughter of Brian
- referent power will be insufficient by itself as Caitlin will still need information to make correct decisions
- she has not used coercive power which has caused problems with the staff and Susan is reluctant to implement the plan effectively
- Caitlin lacks expert power due to choosing to refurbish the rooms first rather than the kitchen which is essential to preparing for the business events.

Analysis:

- through the use of reward power, Caitlin is trying to establish a different culture within the Crown Hotel. The use of this type of power will help Caitlin to implement her plan as it encourages good performance through incentives such as promotion, improved pay, recognition and praise. The use of reward power will be of significant benefit to the implementation of her plan as the staff will respond more positively to taking on additional duties
- from Caitlin's use of referent power and the development of the staff, it will lead to shared goals and interaction between them. The use of this power will result in a more enthusiastic staffing structure and potentially a dedicated workforce which will help to achieve the implementation of her plan
- the use of expert power will only affect one manager and team. Although this will go towards helping to achieve the implementation of her plan, it is not the biggest factor as the improvements to the quality of the hotel and restaurant have to be the driving factors behind the success of the plan
- however, any of the newly trained staff could develop referent power as it is based on the charisma of the individual so even if Caitlin does not have or use sufficient referent power, her managers still can which would, ultimately, implement the plan successfully
- an alternative view is that legitimate power would be more beneficial as it derives from Caitlin's position. With this power, she can direct the managers and staff to follow the instructions given which would ensure that the plan is implemented. But would this cause the staff to become unhappy resulting in the quality remaining the same and workforce turnover to increase?

For **AO4**, you should award marks using the scheme below.

Note that AO4 also assesses students' quality of written communication. When deciding on the AO4 level to be awarded, consider the degree to which the student orders and communicates his/her ideas.

To access E3, judgement must be on the appropriateness of Caitlin's powers to implement her plan.

| Level | Descriptor | Marks | Assessment Objective |
|-------|---|-------|--|
| E3 | Offers judgement with weighted justification. Ideas are communicated in a coherent structure with consistent and appropriate use of technical terms. There are few errors in accepted conventions of written communication. | 7–5 | AO4 and Quality of written communication |
| E2 | Offers judgement with supported justification. Ideas are communicated using a logical structure, with some appropriate technical terms. There are occasional errors in accepted conventions of written communication. | 4–3 | |
| E1 | Offers limited judgement. Ideas are communicated with some structure evident with occasional use of appropriate technical terms. There are some errors in accepted conventions of written communication. | 2–1 | |

Evaluation:

- Caitlin's use of referent power is very useful to retain the best members of staff but the need to consider an alternative form such as legitimate power in the short term is essential to encourage the rapid development that is needed to implement the plan which would improve the Crown Hotel
- referent power is the most appropriate form to implement the plan in the long term as it is based around how retrained staff will develop the business
- the use of reward power will have a quick impact, getting her staff motivated and persuaded to go with the implementation of the plan
- due to Caitlin's father Brian influencing who she promoted and him suggesting that the business event is postponed, it may appear that she does not have enough power to implement her plan without his permission
- other sources of power may be even more significant as Caitlin is implementing her plan. For example, coercive power may be needed if employees disagree with her, such as Susan. With an option being that Susan can be demotivated on the basis of unreasonable behaviour and failure to follow instructions.
- ultimately, due to Caitlin's position and level of authority within the Crown Hotel it doesn't matter what power she has, the plan can be implemented anyway.