

Centre Number						Candidate Number				
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Other Names										
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For Examiner's Use	
Examiner's Initials	
Question	Mark
1	
2	
3	
TOTAL	



General Certificate of Education
Advanced Level Examination
June 2015

Applied Business

BS12

Unit 12 Managing People

Wednesday 17 June 2015 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 maximum mark for this paper is 80.
- The marks for questions are shown in brackets.
- Questions 1(c), 2(c) and 3(b) 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.



J U N 1 5 B S 1 2 0 1

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

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

Item A

The Crown Hotel Ltd

The Crown Hotel Ltd is a family-run luxury hotel in East Anglia. For the past 25 years, Brian Siggins has managed the hotel and has made most of the management decisions. Brian takes pride in knowing his staff. He is often seen talking to them, taking an interest in their plans for days off and in what they enjoy doing in their leisure time. To motivate his full-time staff, Brian uses flexible working hours and a seasonal bonus. He has also set up a social club to give full-time staff the opportunity to socialise outside the workplace. These motivational factors have led to a low staff turnover, with many staff working at the hotel for over 10 years.

In January 2015, Brian announced that he would be retiring soon and that his daughter, Caitlin, would be taking over the management of the hotel. She has been working at the hotel since gaining a Marketing degree in August 2014. Unfortunately, the full-time staff were not happy with Brian's announcement. They suggested that it would be better if another member of staff, who has more experience, was given the manager's position. Brian refused to discuss his decision and this refusal to involve the staff in such a major change has caused some staff to become demotivated. Over the past 6 months, the performance of full-time restaurant and hotel staff has declined. In addition, absence by lower skilled part-time cleaning staff has increased. This is unusual because the cleaning staff have worked there for many years and, although they are on the minimum wage, they have always felt valued by Brian.

In the first 3 months of 2015, bookings declined and Brian has reduced the hours of the part-time cleaning staff. Customer complaints about the quality of the hotel rooms and of the food served in the restaurant have also increased. Caitlin plans to deal with these issues by modernising the Crown Hotel. She wants the hotel to be a venue that caters not just for tourists but also for business events. Caitlin has a participative leadership style and believes that the hotel has succeeded only because of its staff. She believes that, for any business to succeed, its internal communication processes need to be extensive and inclusive. Caitlin wants to move the hotel forward by empowering and retraining its staff. She intends to promote two members of staff to a new management level and believes that, with the support of staff and through increased empowerment, the quality and performance of the staff's work will improve.



1 (a)

Using **Item A**, explain why Brian’s leadership style might be described as paternalistic.

[4 marks]

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2

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

Item B

Moving forward

Brian retired in May 2015 and, since then, his daughter Caitlin has managed the Crown Hotel. She plans to achieve her main objective of increasing sales by running business events, eg award evenings and team building days. Caitlin wants to run the first business event in September 2015. She has calculated that the hotel needs to run at least five business events to gain the income needed to modernise its rooms and restaurant.

To support her plan, Caitlin has changed the organisational structure of the hotel by creating two new management posts: Customer Service Manager and Restaurant Manager. The new managers will make relevant day-to-day decisions and will report to Caitlin at weekly meetings. She has appointed Susan Blake as Customer Service Manager and Joe Hawkes as Restaurant Manager. They have relevant experience and were recommended by Caitlin's father.

The main duties of Susan and Joe are to plan the hotel's staff requirements, forecast sales and set targets and goals for their teams. It is also the responsibility of Susan and Joe to train their staff to the standards required to support the new business events. In addition, they have responsibility, within their own departments, for maintaining accurate records of sales, staff performance and customers' opinions. Caitlin hopes that the new layer of management will help to improve communication as staff will have a greater involvement in decision making.

Due to her inexperience in the hotel industry, Caitlin has decided to use the services of a management consultancy. Susan and Joe will spend two weeks with the consultants, being trained on how to plan, organise, monitor and report staff performance. Caitlin has decided that she will be responsible for managing the hotel's marketing and sales. She does not believe that she requires any training.

Susan and Joe both believe that it will be very difficult to have things ready for the first business event in September 2015. By this time, they will have had to retrain all their staff and prepare the hotel for the new business events. They have raised this concern with Caitlin who explained that they needed the income to modernise the hotel, which is a key part of her plan.



2 (a) Using **Item B**, explain why Caitlin’s decision to implement her plan was strategic.

[4 marks]

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

Item C

Business events

The new managers, Susan and Joe, are currently in the process of retraining their teams for the first business event in September 2015. They are concerned that staff will not be ready in time to run this event successfully. Staff are concerned that if they fail with the first event then the hotel may struggle to survive.

Recently, Caitlin's father, Brian, came in to 'catch up' with the hotel staff. However, Brian ended up listening to concerns about Caitlin and the planned business events. Susan told him: "All Caitlin seems to do is sit in her office, speaking to people on the phone and marketing the hotel. If she was out here more, then she would see that we are not going to be ready!"

Brian spoke to Caitlin and suggested that she should delay the first business event. Consequently, Caitlin organised a meeting with Susan and Joe to discuss their issues. They both explained that the retraining was taking longer than expected and some of the staff were not going to be ready for the opening event. Caitlin calmed them both down by reassuring them that they had the necessary skills to succeed. She offered to help out by retraining the remaining staff. This would give Susan and Joe the time they needed to prepare for the first event. Caitlin showed Susan and Joe what she had been working on. She had produced a development plan for the modernisation of the hotel, using the future sales from the business events. Caitlin had organised a timescale for the modernisation, starting with the guest bedrooms and progressing through to the refitting of the kitchen and restaurant.

Caitlin trained the remaining staff, as promised. These staff now admire her and feel valued. They believe that she is a good role model to all employees and can understand the reasons why the plan needs to be implemented. However, Susan is still complaining and was heard to say: "If I had been given responsibility, I would have managed things better. The only reason Caitlin is manager is because of her father." This was reported back to Caitlin who told Susan that this was unprofessional and explained to her the need to follow instructions. Without Susan's full co-operation, the success of the first business event would be put at risk.



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