

**GCE**

**Business Studies**

Unit **F295**: People in Organisations

Advanced GCE

**Mark Scheme for June 2014**

OCR (Oxford Cambridge and RSA) is a leading UK awarding body, providing a wide range of qualifications to meet the needs of candidates of all ages and abilities. OCR qualifications include AS/A Levels, Diplomas, GCSEs, Cambridge Nationals, Cambridge Technicals, Functional Skills, Key Skills, Entry Level qualifications, NVQs and vocational qualifications in areas such as IT, business, languages, teaching/training, administration and secretarial skills.

It is also responsible for developing new specifications to meet national requirements and the needs of students and teachers. OCR is a not-for-profit organisation; any surplus made is invested back into the establishment to help towards the development of qualifications and support, which keep pace with the changing needs of today's society.

This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.
















All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

OCR will not enter into any discussion or correspondence in connection with this mark scheme.

© OCR 2014

## Annotations

Annotation	Meaning
	Blank Page – this annotation must be used on all blank pages within an answer booklet (structured or unstructured) and on each page of an additional object where there is no candidate response.
	Unclear
	Benefit of doubt
	Cross
	Level 1
	Level 2
	Level 3
	Level 4
	Not answered question
	No use of text
	Own figure rule
	Repetition
	Noted but no credit given
	Too vague
	Tick

Question		Answer	Mark	Guidance	
				Content	Levels of response
1		<p><b>Calculate the value of total annual performance payment package for Minesh who receives 6% bonus on his salary £37 000 and has a profit share sum of £1760 twice a year.</b></p> <p>Bonus = 6% of 37,000 = £2220 (1)</p> <p>Profit share = 1760 x 2= £3520 (1)</p> <p>Actual salary of £37,000 (1)</p> <p>Payment package = £42,740 (1)</p>	4	<p><b>N.B. If correct answer given, award 4 marks</b></p> <p>Award 3 marks if correct answer but no final £ sign</p>	
2		<p><b>Analyse two benefits to IL of performance related pay</b></p> <p>Financial incentive to employees and consequently more productive thus ensuring that IL gains better programs and, therefore, higher sales and profits. Contented employees means they will stay longer thus reducing labour turnover (case suggest very low) and, therefore, reduces costs for IL</p> <p>Less absenteeism (refer to case) therefore contracts more likely completed on time thus enhancing IL's reputation /repeat orders and new customers.</p>	6	<p>Ensure there is a clear reference to the benefits for IL</p> <p>2 ways analysed = 6 marks 1 way analysed = 5 marks</p> <p>2 ways understood = 4 marks 1 way understood = 3 marks</p> <p>2 way stated = 2 marks 1 way stated = 1 mark</p>	<p><b>Level 3 [6-5 marks]</b> Candidate demonstrates analytical skills when considering one/two benefits of performance-related pay</p> <p><b>Level 2 [4-3 marks]</b> Candidate demonstrates knowledge and understanding of benefits of performance-related pay <b>No context required</b></p> <p><b>Level 1 [2-1 marks]</b> Candidate offers relevant theoretical knowledge of performance-related pay</p>

Question		Answer	Mark	Guidance	
				Content	Levels of response
3		<p><b>Discuss factors which may affect IL communication when selling to customers in the USA</b></p> <p>Skill of sender (trained employees of IL)  Skill of receiver (customer IL)  Message to be imparted (Sharon &amp; Weaver- technical (distance for phones, video conferences-pads semantic language and pronunciation)  Closed/open language used  Body language – if IL employees travel to USA  Appropriate medium used  Cultural differences between UK &amp; USA  amount of information that is imparted – details of software  Growing number of dealings abroad and Toms objective of expansion.  Office set up in USA</p>	13	<p>L3 e.g. Answer acknowledging the 9 hr time difference and impact on communication and therefore changes to typical working day for staff in UK.</p> <p>L3 – Cost of flying out staff over the year against cheaper alternatives such as video conferences may lead to a difference in communication.</p> <p>L3 – How well trained the staff going over to USA on IL behalf can impact communication</p>	<p><b>Level 4 [13-9 marks]</b>  Candidate demonstrates evaluative skills when discussing the extent to which factor(s) affect IL's communication in the USA.</p> <p><b>Level 3 [8-6 marks]</b>  Candidate demonstrates analytical skills when discussing specific factor(s) which may affect IL's communication in the USA.</p> <p><b>Level 2 [5-3 marks]</b>  Candidate demonstrates knowledge and understanding of factors which may affect communication.  <b>No context required</b></p> <p><b>Level 1 [2-1 marks]</b>  Candidate offers relevant factors which may affect communication.</p>

Question		Answer	Mark	Guidance	
				Content	Levels of response
4		<p><b>Analyse one possible benefit to IL of in house training.</b></p> <p>Cost, IL's way of wanting things done, employees will know trainers and do not have to leave office, so no time lost commuting. Therefore, more profits for employees; more motivated, therefore, more productive for IL and its profits. Timing of training to suit IL; training can be tailored to IL's needs, can fit with Tom's plans, and Amanda likes to ensure employees are well looked after. Employees who are doing the training sense of responsibility/involvement (Herzberg Mayo)</p> <p>Trainers in-house will know employees, who are operating within their own environment and, therefore, less barriers.</p>	6	<p>Accept cost implication IF clearly linked to HR.</p> <p>Only <b>one</b> benefit required.</p> <p>L3 – Links to Toms objective is one route into analysis.</p> <p>Any suggestions made by candidates must be appropriate and clearly based on the contextual evidence.</p> <p>Unsupported comments should <b>not</b> be rewarded above Level 2.</p>	<p><b>Level 3 [6-5 marks]</b> Candidate demonstrates analytical skills when considering a benefit to IL of in-house training.</p> <p><b>Level 2 [4-3 marks]</b> Candidate demonstrates knowledge and understanding of a benefit of in-house training. <b>No context required.</b></p> <p><b>Level 1 [2-1]</b> Candidate offers only theoretical knowledge of a benefit of in-house training.</p>

Question		Answer	Mark	Guidance	
				Content	Levels of response
5		<p><b>Evaluate to the extent to which motivational theory can explain ILs low labour turnover.</b></p> <p><b>Taylor</b> – Pay and PRP are a key element of the employment package. Tom and Amanda do not treat labour as a unit cost to be minimised.</p> <p><b>Mayo</b> yes - involvement and recognition- (working conditions)</p> <p><b>Herzberg</b> yes – motivators - achievement (promotion to directors) profit, responsibility (directors and senior staff promotion, meaningful tasks - working on software programs</p> <p><b>Accept Herzberg</b> - hygiene factors, although not directly motivate they do eliminate frustration via working conditions (excellent at IL) pay, lack of bureaucracy at IL, job security.</p> <p><b>Maslow</b> yes - social need - trips, facilities food drinks</p> <p><b>McGregor*</b> yes - theory Y- job satisfaction initiative motivated by rewards</p> <p><b>Peters</b>, yes - achievement, involving, empowerment, encouraging participation (breakfast meetings, on-the-job trainers security)</p> <p><b>Drucker</b> yes - recognised, delayering, training at IL.</p>	13	<p>For Level 4, candidates who attempt to judge to what extent should be well rewarded.</p> <p>NB: Ensure quoted theory is correct and appropriate.</p> <p>Accept McGregor providing the motivational aspect is highlighted and not the leadership style.</p> <p>One route into evaluation is ranking the most influential factor along with non motivational theory.</p> <p>L4 route – Bespoke training offered at IL may be the reason staff stay.</p> <p>A one-sided argument cannot achieve a Level 4 mark.</p>	<p><b>Level 4 [13-9 marks]</b> Candidate demonstrates evaluative skills when discussing the extent to which motivational theory can explain IL's very low labour turnover.</p> <p><b>Level 3 [8-6 marks]</b> Candidate demonstrates analytical skills when discussing whether motivational theory can explain IL's very low labour turnover</p> <p><b>Level 2 [5-3 marks]</b> Candidate demonstrates knowledge and understanding of motivational theory and/or labour turnover.</p> <p><b>No context required</b></p> <p><b>Level 1 [2-1 marks]</b> Candidate offers relevant theoretical knowledge motivational theory and/or labour turnover only.</p>

Question			Answer	Mark	Guidance	
					Content	Levels of response
			<p><b>But it could be-</b>                      Leadership styles in context (democratic)                      - Amanda, McGregor Theory Y,                      Tannenbaun and Schmidt's                      management grid, sense of responsibility                      employee oriented not task oriented-                      Amanda (Herzberg).</p>			



Question		Answer	Mark	Guidance	
				Content	Levels of response
6*		<p><b>Considering HR &amp; other issues should IL set up a permanent sales office in the USA?</b></p> <p><b>HR issues-</b></p> <ul style="list-style-type: none"> <li>Recruitment and training issues to ensure name of IL maintained, opportunities for UK staff to be promoted by moving to new US office- motivating (sense of responsibility - Herzberg).</li> <li>Less opportunities for trips abroad (US); demotivating Increased span of control with additional office in US.</li> <li>Communication issues, decentralised?</li> <li>Delegation? Will Tom and Amanda be able to maintain excellent relationships with employees both in UK and USA?</li> <li>Will US employees be similarly motivated by the facilities offered as in UK?</li> <li>Can weekly breakfast meeting be undertaken in USA office?</li> <li>How can family atmosphere be established in USA office?</li> </ul> <p><b>Marketing issues-</b></p> <ul style="list-style-type: none"> <li>Marketing to inform potential customers in the US of the new branch - though existing customers may prefer office in</li> </ul>		<p>Good answers may wish to consider the differences in costs between cost of flights 3 or 4 times a year and the cost of an office in the USA.</p> <p>L3 eg HR training &amp; recruitment cost may be high but only short term. e.g. IL may need to rationalise some benefits to fund the expansion – impact on staff?</p> <p>L3/L4 Will IL supply all over USA – longevity of software/impact on repeat custom may be small.</p> <p>NB An answer which only includes, or does not include human resources issues, should be awarded the lowest mark in the appropriate level.</p> <p><b>A balanced answer is required to access higher marks within a level.</b></p> <p><b>A one-sided answer cannot achieve a L4</b></p>	<p><b>Level 4 [18-13 marks]</b> Candidate demonstrates evaluative skills when discussing whether IL should set up a permanent office in the USA Complex ideas have been expressed clearly and fluently using a style of writing appropriate to the complex subject matter. Sentences and paragraphs, consistently relevant, have been well structured, using appropriate technical terminology. There may be few, if any, errors of spelling punctuation and grammar.</p> <p><b>Level 3 [12-7 marks]</b> Candidate demonstrates analytical skills when considering whether IL should set up a permanent office in the USA. Relatively straightforward ideas have been expressed with some clarity and fluency. Arguments are generally relevant, though may stray from the point of the question. There will be some errors of spelling, punctuation and grammar, but these are unlikely to be intrusive or obscure meaning.</p>

Question			Answer	Mark	Guidance	
					Content	Levels of response
			<p>US differing pricing strategies to help establish new office.</p> <ul style="list-style-type: none"> <li>• Face to face meetings in USA may enhance sales for IL, especially if they are constant rather than 3-4 times a year as at present.</li> <li>• Distribution can be through the new office in USA for USA orders?</li> </ul> <p><b>Financial issues-</b></p> <ul style="list-style-type: none"> <li>• Cost of setting up office including all the extra facilities for the employees.</li> <li>• Cost of recruitment and training</li> <li>• Cost of marketing new sales office.</li> <li>• Availability of finance, opportunity costs of this expenditure as opposed to such spending in UK. Additional loans-gearing?</li> <li>• Will Amanda have to spend more to travel to USA to aid excellent working relationships?</li> <li>• Payment package be similar?</li> <li>• Cost savings, as IL's employees would not have to travel to USA 3-4 times year- funds could be used elsewhere.</li> </ul>			<p><b>Level 2 [6-3 marks]</b> Candidate is able to apply relevant details with regards to setting up an overseas office. <b>No context required</b> Some simple ideas have been expressed in an appropriate context. There are likely to be some errors of spelling, punctuation and grammar of which some may be noticeable and intrusive.</p> <p><b>Level 1 [2-1]</b> Candidate offers relevant knowledge of issues relating to the setting up of an overseas office. Some simple ideas have been expressed. There will be some errors of spelling, punctuation and grammar which will be noticeable and intrusive. Writing may also lack legibility.</p>

Question			Answer	Mark	Guidance	
					Content	Levels of response
			<p><b>Production issues-</b></p> <ul style="list-style-type: none"> <li>• Can tailor needs of US customers more easily and more quickly in US office (though IT is not restricted by distance) and software not actually 'manufactured'.</li> </ul> <p><b>Additional factors-</b></p> <ul style="list-style-type: none"> <li>• competitors/ degree of competition in the market.</li> <li>• Fitting objectives of the business,</li> <li>• exchange rate issues- would it be possible in the future to 'produce' the software packages in USA to avoid exchange rate fluctuations?</li> <li>• Economic climate both in UK and USA.</li> </ul>			

**OCR (Oxford Cambridge and RSA Examinations)**  
1 Hills Road  
Cambridge  
CB1 2EU

**OCR Customer Contact Centre**

**Education and Learning**

Telephone: 01223 553998

Facsimile: 01223 552627

Email: [general.qualifications@ocr.org.uk](mailto:general.qualifications@ocr.org.uk)

[www.ocr.org.uk](http://www.ocr.org.uk)

For staff training purposes and as part of our quality assurance programme your call may be recorded or monitored

**Oxford Cambridge and RSA Examinations**  
is a Company Limited by Guarantee  
Registered in England  
Registered Office; 1 Hills Road, Cambridge, CB1 2EU  
Registered Company Number: 3484466  
OCR is an exempt Charity

**OCR (Oxford Cambridge and RSA Examinations)**  
Head office  
Telephone: 01223 552552  
Facsimile: 01223 552553

© OCR 2014

