



ADVANCED GCE
BUSINESS STUDIES
People in Organisations

F295/RB

RESOURCE BOOKLET

To be given to candidates at the start
of the examination.

Monday 25 January 2010
Afternoon

Duration: 2 hours



INSTRUCTIONS TO CANDIDATES

- The information required to answer questions 1–6 is contained within this Resource Booklet.
- Do not hand this Resource Booklet in at the end of the examination. It is not needed by the Examiner.

INFORMATION FOR CANDIDATES

- This document consists of 4 pages. Any blank pages are indicated.

Holly's Hotel (HH)

Holly Taylor runs a medium sized hotel that has 30 bedrooms. The hotel is on the south west coast of England. It is a hotel that caters for both business clients and for those on holiday. The business is a private limited company that is owned by Holly and her husband, Jack. He, however, takes no active part in the running of the business. The hotel has an excellent reputation for personal service and good value for money.

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Holly's Hotel (HH) employs 20 staff, most of whom are part-time. There are only four full-time staff.

Motivating the staff is not an issue. On the contrary, the staff of HH have always been very loyal and have always been most cooperative. The majority of the employees, including the part-time staff, have been with Holly for several years, and Holly has always tried to ensure she involves all the employees in the decision-making process by delegating responsibilities and holding regular meetings to discuss a wide range of issues that affect the running of the hotel. There have been many occasions when some of the full-time staff have stayed beyond their basic working hours (40 hours a week) in order to help. All part-time staff are on a fixed weekly payment that assumes an agreed number of hours a week. Both full-time and part-time staff who work more than their agreed number of hours are paid overtime. The weekly wage bill for full-time employees is shown in Table 1 (see below).

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Table 1 – Weekly basic wage bill for full-time employees

Weekly wage bill for the four full-time employees	$\pounds 280 \times 4 = \pounds 1120$
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Holly, however, has three areas of concern which she wants to try to tackle as quickly as possible.

Holly's first concern is the number of extra hours some of the staff have been working and she has been thinking about how best to reward them. At one of the regular meetings of the staff, as is always the case, she had thanked them all for their hard work and informed them that the hotel bookings were even higher than last year, which was itself a record year! She also used the meeting to discuss the best way to reward her employees for the record level of bookings and, in addition, a more effective way of paying those who do stay beyond their basic hours. She has several ideas: one of which is to introduce a performance related pay scheme. Although she is aware this would have implications for other aspects of the business, Holly wants to give her staff the opportunity to offer their own ideas first.

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The second concern for Holly is an incident that had happened recently. Restaurant staff finish work when the last guest has been served and the washing up and tidying up has been completed. However, Emma Hall, the Services Manager is responsible for the welfare of the guests and has to remain on duty until 2am when room service stops. Emma has been responsible for guests' welfare for many years, without any problems, including the many hours overtime she has worked (see Table 2).

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Table 2 – Overtime payments for Emma

Existing weekly wage	=	40 hours
Basic pay is £7 per hour	=	£280 a week
Actual hours worked	=	50 hours
Overtime rate	=	£11.50p

This late finish was the cause of a problem that arose with Mr and Mrs Wood, who have been regular guests at the hotel every July for several years. Mr Wood had arrived back at the hotel, at 1.50am and was keen to have a coffee and a toasted sandwich before going to bed. Emma had already started to tidy up prior to finishing for the night. However, an argument developed which ended when Emma refused to serve Mr Wood, as it would have meant Emma not being able to get away until well after 2am. The following morning the couple left the hotel, with Mr Wood still feeling angry at the way he had been treated. It was not until the following evening that Holly heard about the incident when Mr Wood rang the hotel to complain. As Emma was on her day off, Holly was left to try and resolve the situation. She set about trying to ensure that Mr and Mrs Wood would continue to be good customers of the hotel. Holly also agreed that she would discuss the complaint with Emma and take any appropriate action.

Holly is also concerned about the likely consequences of any possible changes in health and safety legislation that she has read about in the newspaper. This suggested that all hotel employees would need to have a food hygiene certificate. She has always attempted to ensure she involves her staff and trains them carefully on health and safety and hygiene matters, both of which are vital within the hotel business. She is particularly concerned as she had applied to upgrade the Tourist Board rating for the hotel. A higher rating would help to further increase the number of people who would want to stay at the hotel. She is aware that a hotel inspector from the Tourist Board is likely to visit her hotel in the near future.

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