

# OCR

Oxford Cambridge and RSA

**Monday 15 June 2015 1.30 pm**

**Level 4 Certificate in Management Consulting**

**10331/05** Unit 5 Business environment, structure and governance

**MARK SCHEME**

**Duration:** 1 hour

**MAXIMUM MARK 50**

**DRAFT**

Version: **5** Last updated: **11/02/2015**

**(FOR OFFICE USE ONLY)**

This document consists of 13 pages
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**PREPARATION FOR MARKING ON-SCREEN**

1. Make sure that you have accessed and completed the relevant and training packages for on-screen marking: *scoris assessor Online Training* and the *OCR Essential Guide to Marking*.
2. Make sure that you have read and understood the Instructions for On-Screen Marking and the mark scheme and the question paper for this unit. These are posted on the RM Cambridge Assessment Support Portal <http://www.rm.com/support/ca>
3. Log-in to scoris and mark the **required number** of practice responses and the **required number** of standardisation responses.

**PREPARATION FOR PAPER BASED MARKING**

1. Make sure that you have accessed and completed the relevant training for paper based marking.
2. Make sure that you have read and understood the Instructions for Specialist Marking and the mark scheme and the question paper for this unit.
3. Before the Standardisation meeting you must mark at least 10 scripts from several centres. Use **pencil** and follow the **mark scheme**. Bring these **marked scripts** to the meeting.

**MARKING INSTRUCTIONS – FOR MARKING ON-SCREEN AND FOR PAPER BASED MARKING**

1. Mark strictly to the mark scheme.
2. Marks awarded must relate directly to the marking criteria.
3. The schedule of dates is very important. It is essential that you meet the scoris 50% and 100% (traditional 40% Batch 1 and 100% Batch 2) deadlines. If you experience problems, you must contact your Team Leader (Supervisor) without delay.
4. If you are in any doubt about applying the mark scheme, consult your Team Leader by telephone or the scoris messaging system, or by email.
5. Work crossed out:
  - a. where a candidate crosses out an answer and provides an alternative response, the crossed out response is not marked and gains no marks
  - b. if a candidate crosses out an answer to a whole question and makes no second attempt, and if the inclusion of the answer does not cause a rubric infringement, the assessor should attempt to mark the crossed out answer and award marks appropriately.
6. Always check the pages (and additional objects if present) at the end of the response in case any answers have been continued there. If the candidate has continued an answer there then add a tick to confirm that the work has been seen.
7. There is a NR (No Response) option. Award NR (No Response)
  - if there is nothing written at all in the answer space
  - OR if there is a comment which does not in any way relate to the question (e.g. 'can't do', 'don't know')
  - OR if there is a mark (e.g. a dash, a question mark) which isn't an attempt at the questionNote: Award 0 marks - for an attempt that earns no credit (including copying out the question)
8. The scoris **comments box** is used by your team leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.** If you have any questions or comments for your team leader, use the phone, the scoris messaging system, or e-mail.

9. For answers marked by levels of response:
- To determine the level** – start at the highest level and work down until you reach the level that matches the answer
  - To determine the mark within the level**, consider the following:

Descriptor	Award mark
On the borderline of this level and the one below	At bottom of level
Just enough achievement on balance for this level	Above bottom and either below middle or at middle of level (depending on number of marks available)
Meets the criteria but with some slight inconsistency	Above middle and either below top of level or at middle of level (depending on number of marks available)
Consistently meets the criteria for this level	At top of level

10. These are the annotations (including abbreviations), including those used in scoris, which are used when marking.

Annotation	Meaning of annotation

11. Here are the subject specific instructions for this question paper.

Subject specific marking instructions that apply across the whole question paper must appear here. These must be compatible with the OCR Marking Instructions above. Include here any instructions for marking when a candidate has infringed the rubric.

12. Here is the mark scheme for this question paper.

## MARK SCHEME

Question	Answer/Indicative content	Mark	Guidance
1	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• need to minimise carbon footprint</li> <li>• teleconference rather than travel</li> <li>• consider air miles - buy local supplies</li> <li>• minimise vehicle emissions - switch vehicles/fuel</li> <li>• reduce pollution/greenhouse gas emissions</li> <li>• minimise energy requirements</li> <li>• buy energy efficient appliances</li> <li>• switch to renewable energy/biofuels</li> <li>• carbon offsetting</li> <li>• financial cost of lowering carbon emissions</li> <li>• opportunity cost</li> </ul> <p>Exemplar response:</p> <p>e.g. A management consultant should recommend using local suppliers, where possible <b>(1)</b>. This will reduce air miles and delivery distances and limit carbon emissions <b>(1)</b>.</p>	4	<p><b>One</b> mark for each correct identification up to a maximum of <b>two</b> identifications, plus a further <b>one</b> mark for each of <b>two</b> explanations.</p>

Question	Answer/Indicative content	Mark	Guidance
2	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• constant access to electronic communication</li> <li>• increased use of social networking sites</li> <li>• use of electronic communication to communicate with potential customers</li> <li>• globalisation</li> <li>• marketing issues</li> <li>• customer service issues</li> <li>• increased access to online information</li> </ul>	3	<p><b>One</b> mark for each correct identification up to a maximum of <b>three</b> identifications.</p> <p><b>Must</b> be impacts.</p>

Question	Answer/Indicative content	Mark	Guidance
	<ul style="list-style-type: none"> <li>• need to design 'apps' and sites suitable for mobile technologies</li> <li>• electronic payment options</li> <li>• data security issues</li> <li>• profitability</li> <li>• competition</li> <li>• research and development</li> <li>• investment in technology</li> <li>• health and safety impacts on the business</li> <li>• financial cost</li> </ul> <p>Exemplar response:</p> <p>e.g. A business may lose customers to the competition if it does not keep up with advancing mobile technologies (1).</p>		

Question	Answer/Indicative content	Mark	Guidance
3	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>• authority and status relationships</li> <li>• hierarchical/flat organisations</li> <li>• span of control</li> <li>• scalar chain</li> <li>• authority/responsibility</li> <li>• centralised/decentralised</li> <li>• delegation</li> <li>• workload</li> <li>• communication</li> <li>• control</li> <li>• accountability</li> <li>• empowerment</li> <li>• strategic/tactical/operational</li> </ul>	8	<p><b>Levels of response</b></p> <p><b>Level 2 (5 – 8 marks)</b> Candidate explains how the organisational structure of a business may affect its ability to respond to change.</p> <p><b>Level 1 (1 – 4 marks)</b> Candidate identifies features of organisational structures.</p>

Question	Answer/Indicative content	Mark	Guidance
	<ul style="list-style-type: none"> <li>• cause of change – internal/external</li> <li>• ability to change</li> <li>• willingness to change</li> <li>• speed/timing</li> </ul> <p>Exemplar response:</p> <p>e.g. A business with a hierarchical structure is likely to have many layers of authority. Those with the highest status are at the top of the pyramid and make strategic decisions on behalf of the organisation. The implications of these decisions must be passed down the scalar chain, while the operational response must be passed back up the chain of command. The greater the number of levels within the organisation the more remote decision-makers may be from the remainder of the workforce <b>(L1)</b>. Strategic decision-makers may not view the need for operational change with the same urgency as the employees who have to deal with problematic issues on a day to day basis. There may, therefore, be a significant reluctance on the part of the organisation to respond to internal operational needs for change. Tall structures, by their nature, are far less flexible than flat structures. Even if senior personnel are willing to respond to change, the response is likely to be slow <b>(L2)</b>.</p>		

Question	Answer/Indicative content	Mark	Guidance
4	<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• the principal – the business owners/shareholders</li> <li>• the agent – directors/managers/employees who may act on the principal's behalf</li> </ul> <p>Exemplar response:</p> <p>e.g. In agency theory the principal is the owner or owners of a business <b>(1)</b>.</p> <p>e.g. The agent is an employee of the business who is allowed to act on the principal's behalf <b>(1)</b>.</p>	2	<p><b>One</b> mark for principal. <b>One</b> mark for agent.</p>

Question	Answer/Indicative content	Mark	Guidance
5	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>• manager's unique role</li> <li>• proactive/reactive</li> <li>• internal/external stakeholders</li> <li>• listen/monitor stakeholder interests</li> <li>• respond to stakeholder concerns</li> <li>• communicate with stakeholder groups</li> <li>• liaison with senior personnel and stakeholders</li> <li>• balance divergent views</li> <li>• negotiation</li> <li>• conflict resolution – meetings, interviews</li> <li>• conflict management – incentive systems, public reports, third party review</li> <li>• public relations exercises – press releases</li> <li>• use of the media</li> </ul>	10	<p><b>Levels of response</b></p> <p><b>Level 2 (6 – 10 marks)</b> Candidate explains how managers can help a business deal with differing stakeholder interests.</p> <p><b>Level 1 (1 – 5 marks)</b> Candidate identifies management functions/differing stakeholder interests.</p>

Question	Answer/Indicative content	Mark	Guidance
	<p>Exemplar response:</p> <p>e.g. Managers should run the business for the benefit of its owners, balancing the interests of different stakeholder groups, where it can. Stakeholders frequently have very different, often divergent, interests. For example, while employees may want a pay rise which can only be achieved by improvements in productivity and shift work, local residents do not want the noise and congestion of 24 hour a day factory operation and deliveries. Managers are in a unique position where they can liaise between the various stakeholder groups and the owners of the business <b>(L1)</b>.</p> <p>Managers have most influence over internal rather than external stakeholders. For example, managers are in a position to communicate and motivate employees, implement incentive systems and allay fears by keeping workers informed. If possible they should be proactive, dealing with any potential for conflict before it arises. It is more difficult for a manager to deal with external stakeholders whose reactions cannot be so closely monitored or controlled. Managers need to use their people skills to listen to stakeholder concerns and negotiate appropriately. In such cases, they may need to hold public meetings or use public relations exercises to help deal with the differing, and potentially conflicting, interests of different external stakeholders <b>(L2)</b>.</p>		

Question	Answer/Indicative content	Mark	Guidance
6	Indicative content: <ul style="list-style-type: none"> <li>• The Equality Act</li> <li>• (National) Minimum Wage Act</li> <li>• Working Time Regulations</li> <li>• Employment Rights Act</li> <li>• Employment Relations Act</li> <li>• Health and Safety at Work Act</li> <li>• Data Protection Act</li> </ul> Exemplar response: e.g. Minimum Wage Act <b>(1)</b> .	3	<b>One</b> mark for each correct identification up to a maximum of <b>three</b> identifications.  Name of legislation <b>must</b> be precise. Dates <b>not</b> required.

Question	Answer/Indicative content	Mark	Guidance
7	Indicative content: <ul style="list-style-type: none"> <li>• human resources function is responsible for the selection, recruitment, remuneration, training, discipline, guidance and termination of employment</li> <li>• go beyond the law/ethical working practices</li> <li>• treat employees fairly</li> <li>• provide good working conditions</li> <li>• pay above the minimum wage</li> <li>• avoid using child labour abroad</li> <li>• use non-discriminatory recruitment procedures</li> <li>• worldwide offering work experience placements</li> <li>• develop community education and training schemes</li> </ul> Exemplar response: e.g. The human resources function is responsible for the way in which employees are treated within an organisation <b>(1)</b> . Using ethical employment practices, which go beyond the requirements of the law, will help a business meet its	4	<b>One</b> mark for each correct point of explanation up to a maximum of <b>four</b> such points, but allow development.  Award an example by way of explanation.

Question			Answer/Indicative content	Mark	Guidance
			corporate social responsibilities <b>(1)</b> . Paying the living wage rather than the minimum wage will provide an improved standard of living for the employees <b>(1)</b> who can then use the additional money for the social benefit of their families <b>(1)</b> .		

Question			Answer/Indicative content	Mark	Guidance
8			<p>Indicative content:</p> <ul style="list-style-type: none"> <li>encouraging all employees to contribute their ideas to help solve work-related problems and progress towards goals</li> </ul> <p>Exemplar response: e.g. Empowering employees to contribute to the decision-making of an organisation <b>(1)</b>.</p>	1	For <b>one</b> mark.

Question		Answer/Indicative content	Mark	Guidance
9		<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• gender balance</li> <li>• age profile</li> <li>• education levels</li> <li>• the need for flexible working patterns</li> </ul> <p>Exemplar response:</p> <p>e.g. If there is a high proportion of working mothers <b>(1)</b> in the composition of the workforce, then this is likely to require the implementation of flexible working patterns <b>(1)</b> by offering job share and part-time work <b>(1)</b>.</p>	6	<b>One</b> mark for each correct identification up to a maximum of <b>two</b> identifications, plus up to a further <b>two</b> marks for each of <b>two</b> explanations.

Question		Answer/Indicative content	Mark	Guidance
10		<p>Indicative content:</p> <ul style="list-style-type: none"> <li>• allotted task/duty</li> <li>• conferred authority</li> <li>• legitimate responsibility</li> <li>• limiting boundary of power</li> </ul> <p>Exemplar response:</p> <p>e.g. Remit means the sphere of activity a committee can legitimately address <b>(1)</b>.</p>	1	For <b>one</b> mark

Question	Answer/Indicative content	Mark	Guidance
11	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> <li>• best practice in corporate governance</li> <li>• advise board of directors on remuneration of CEO, directors and senior management team – independent, unbiased, specialist advice</li> <li>• strengthen control and position of shareholders</li> <li>• accountability/transparency</li> <li>• greater assurance of integrity</li> <li>• external scrutiny</li> </ul> <p>Exemplar response:</p> <p>e.g. The remit of a remuneration committee is to advise the board of directors on the level of remuneration for its senior personnel. It is not good practice to let the directors themselves decide how much they should be paid. Members of the committee are independent and should provide unbiased advice regarding the appropriate level of remuneration for the company's CEO, directors and senior management team <b>(L1)</b>. Using a remuneration committee to recommend the levels of remuneration for senior personnel reduces the potential for internal politics to affect the payment levels. Furthermore, the specialist knowledge of the committee should ensure that the levels set are neither too high nor too low, strengthening the position of the shareholders whose investment is funding the company's operations. The procedure for agreeing remuneration levels becomes more transparent, providing greater assurances of the company's integrity <b>(L2)</b>.</p>	8	<p><b>Levels of response</b></p> <p><b>Level 2 (5 – 8 marks)</b> Candidate explains the benefits to a public company of a remuneration committee being made an integral part of its company structure.</p> <p><b>Level 1 (1 – 4 marks)</b> Candidate identifies the function and purpose of remuneration committees.</p>