

**Cambridge Technicals
Business**

Unit 15: Change management

Level 3 Cambridge Technical in Business
05834 - 05837

Mark Scheme for January 2021

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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.

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Annotations

Annotation	Meaning
Tick	Valid point, mark awarded
Cross	Incorrect
Question mark	Response unclear
BOD	Benefit of doubt (mark awarded)
TV	Too vague (mark not awarded)
REP	Repetition (no additional marks awarded)
NAQ	Not answered question (incorrect focus)
L1	Level 1 response (identification)
L2	Level 2 response (explanation)
L3	Level 3 response (analysis)
L4	Level 4 response (evaluation)
CONT	Context (required for high L4 award only)

Subject-specific marking instructions

For Level of Response marked questions marked over 4 levels, the candidate can access at L1 or L2. In either case, they can analyse the point made and proceed directly to L3.

L3 analysis is required before L4 can be accessed.

Question		Answer	Marks	Guidance																
1	(a)	<p>Indicative content:</p> <table border="1"> <thead> <tr> <th>Internal driver:</th> <th>Context:</th> </tr> </thead> <tbody> <tr> <td>(low) profit margin</td> <td>glamping</td> </tr> <tr> <td>cash flow (challenges)</td> <td>winter or glamping</td> </tr> <tr> <td>to provide (a living) for partners</td> <td>six partners (or Mr and Mrs May and their four children)</td> </tr> <tr> <th>External driver:</th> <th>Context:</th> </tr> <tr> <td>(low) interest rates</td> <td>£850k</td> </tr> <tr> <td>(intense) competition</td> <td>glamping or holidays</td> </tr> <tr> <td>increased interest in wedding venues/social trend for unique wedding venues</td> <td>barn</td> </tr> </tbody> </table> <p>Exemplar response:</p> <p>Internal: profit margins (1). Internal: low glamping (CONT) profit margins (2).</p> <p>External: competition (1). External: competition from other holiday (CONT) providers (2).</p>	Internal driver:	Context:	(low) profit margin	glamping	cash flow (challenges)	winter or glamping	to provide (a living) for partners	six partners (or Mr and Mrs May and their four children)	External driver:	Context:	(low) interest rates	£850k	(intense) competition	glamping or holidays	increased interest in wedding venues/social trend for unique wedding venues	barn	2 marks x 2	<p>In each case: Two marks for a contextual driver ✓ ✓ CONT. One mark for a non-contextual driver ✓ .</p> <p>NB driver for offering wedding facilities required.</p> <p>Internal/external drivers must be from Resource 1 of the case study.</p> <p>Do not award 'budgeting', 'retained profit', 'legal', 'inflation rates', etc. Indicative content only.</p> <p>Do not award 'increase in number of holiday makers choosing not to holiday abroad' as this is not a driver for offering wedding facilities.</p> <p>Watch out for answers in the incorrect categories i.e. internal for external or vice versa.</p>
Internal driver:	Context:																			
(low) profit margin	glamping																			
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1	(b)	<p>Indicative content:</p> <ul style="list-style-type: none"> challenge core values of the organisation/breakdown the status quo. convince/persuade stakeholders <u>why</u> change is needed/make stakeholders aware of consequences if no change is made. <p>Exemplar responses:</p> <p>Challenge the core values of employees (1). Challenge the core values of the farm workers (CONT) (2).</p> <p>Persuade stakeholders that low profit margins in winter (CONT) mean that change is essential (2). Persuade stakeholders that change is necessary (1).</p>	4	<p>In each case:</p> <p>Two marks for a contextual step ✓ ✓ CONT. One mark for a non-contextual step ✓ .</p> <p>Context includes:</p> <p>Milk, cows, glamping, wedding, low profit margins, Jane wants to spend time with family, etc.</p> <p>Do not award 'May's Farm' or 'farm' as context.</p> <p><u>Max one response per bullet point.</u></p> <p>Responses must relate to the 'unfreeze' stage – i.e. by preparing the organisation to accept change and by making <u>internal</u> stakeholders realise that things cannot continue as they are.</p> <p>Do not award answers relating to the change itself or knowing about the change itself i.e. do not award 'identify what needs to be changed'.</p> <p>Do not award answers which directly relate to Kotter's 8 step or McKinsey's 7-S model of change management. E.g. do not award 'create a vision' or 'create urgency'.</p> <p>Get workers in agreement/onboard (TV) – how? Communicate with stakeholders (TV) – what?</p>

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1	(c)	<p>Use levels of response criteria.</p> <p>Indicative content</p> <table border="1"> <thead> <tr> <th>L1 (generic knowledge)</th> <th>Examples in Resource 1</th> </tr> </thead> <tbody> <tr> <td>lack of agreement (internal stakeholders)</td> <td>Jane and Tom would like to spend more time with grandchildren; Jane and Tom would like to retire; Ben and Tom disagree about the need for change at any cost; etc</td> </tr> <tr> <td>lack of agreement (external stakeholders)</td> <td>require planning permission, require food safety certification</td> </tr> <tr> <td>stakeholder fear</td> <td>Jane dreads disruption and dirt of building work; 15 months; Tom thinks it is a huge financial risk, etc</td> </tr> <tr> <td>stakeholder inertia/stakeholder habits difficult to change</td> <td>Jane and Tom's priority is not to learn new ways of doing business; Tom thinks they may not be ready, etc</td> </tr> <tr> <td>lack of employee engagement</td> <td>farm workers, glamping workers</td> </tr> <tr> <td>resistance to change</td> <td>farm workers, glamping workers, Jane wants to spend time with grandchildren, Ben and Tom disagree about the need for change at any cost; Jane dreads disruption and dirt of building work, 15 months, Tom thinks it is a huge financial risk, etc</td> </tr> <tr> <td>economic implications/financial risk/lack of funds/finance/costs</td> <td>retained profit insufficient, need to borrow, requires external funding, £850k, etc</td> </tr> </tbody> </table>	L1 (generic knowledge)	Examples in Resource 1	lack of agreement (internal stakeholders)	Jane and Tom would like to spend more time with grandchildren; Jane and Tom would like to retire; Ben and Tom disagree about the need for change at any cost; etc	lack of agreement (external stakeholders)	require planning permission, require food safety certification	stakeholder fear	Jane dreads disruption and dirt of building work; 15 months; Tom thinks it is a huge financial risk, etc	stakeholder inertia/stakeholder habits difficult to change	Jane and Tom's priority is not to learn new ways of doing business; Tom thinks they may not be ready, etc	lack of employee engagement	farm workers, glamping workers	resistance to change	farm workers, glamping workers, Jane wants to spend time with grandchildren, Ben and Tom disagree about the need for change at any cost; Jane dreads disruption and dirt of building work, 15 months, Tom thinks it is a huge financial risk, etc	economic implications/financial risk/lack of funds/finance/costs	retained profit insufficient, need to borrow, requires external funding, £850k, etc	16	<p>Levels of response</p> <p>Level 4 (13 - 16 marks) Candidate evaluates which barrier to change is likely to have the greatest impact on <i>May's Farm</i> if not managed successfully.</p> <p>Level 3 (9 - 12 marks) Candidate analyses barrier(s) to change likely to impact on <i>May's Farm</i> if not managed successfully.</p> <p>Level 2 (5 – 8 marks) Candidate explains barrier(s) to change likely to impact on <i>May's Farm</i> if not managed successfully.</p> <p>Level 1 (1 – 4 marks) Candidate identifies one or more barriers to change at <i>May's Farm</i>.</p> <p>Barriers to change must be derived from Resource 1.</p> <p>Do not award 'poor leadership', 'failure of previous change initiatives', 'resistance from work groups', 'existing power structures' as these are not likely at <i>May's Farm</i>.</p> <p>NB: Do not award limiters to success e.g. do not award lack of experience, lack of skills, no change champion.</p>
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	<p>Exemplar response:</p> <p>Some partners do not seem to agree with the change (L1). Disagreement between the partners may lengthen the decision-making process (L3).</p> <p>Lack of funds (L1) means external funding will be needed (L2) this increases cost (L3).</p> <p>Jane and Tom do not appear to want to learn new ways of doing business (L2). This may limit the effort they put into managing the change, potentially limiting the earning potential of the new venture (L3).</p> <p>Overall, I think the barrier to have the greatest negative impact on <i>May's Farm</i> would be lack of funds. If the business cannot raise the required £850k (CONT) then the change cannot go ahead (L4). Partners disagreeing is less of a barrier because whilst it may slow down the change management process, it is unlikely to bring the project to a complete halt (L4).</p>		<p>L1 – barrier to change at <i>May's Farm</i>. <i>E.g. stakeholder fear</i> (One L1 per barrier).</p> <p>L2 – any development of barrier to change (which stops short of being analytical). E.g. Reason why barrier is problematic <i>E.g. may increase the stress levels of some of the partners.</i> OR Contextual detail <i>E.g. as Jane dreads the dirt from the building works.</i> (Max one L2 per L1).</p> <p>L3 – impact on business (negative) if barriers not managed successfully. Accept impacts on the project as impacts on the business. <i>E.g, may slow down the decision-making process.</i> (Max one L3 per L1/2 point).</p> <p>L4 evaluation – a justified decision as to which barrier to change is likely to create the biggest impact.</p> <p>Award 13 marks for a non-contextual justification of which barrier to change would create the biggest impact if not managed properly (no context).</p> <p>Award 14 marks for a contextual justification of which barrier to change would create the biggest impact if not managed properly (with context).</p> <p>Award 15 marks for a non-contextual comparative justification of which barrier to change would create the biggest impact if not managed properly, which includes why at least one other was rejected (no context).</p>

Question		Answer	Marks	Guidance
				<p>Award 16 marks for a contextual comparative justification of which barrier to change would create the biggest impact if not properly managed, which includes why at least one other was rejected (with context).</p> <p>NB: The question is about barriers to change (and the problems that result). Do <u>not</u> award <u>causes</u> or <u>solutions</u>.</p> <p>A barrier to change is required to award any marks.</p> <p>No barrier to change (generic L1 or contextual L2), then no marks.</p>
1	(d)	<p>Use levels of response criteria.</p> <p>Impacts include:</p> <ul style="list-style-type: none"> • May's Hall customers: e.g. more choice, more convenience, etc • Glamping customers: e.g. noise, traffic, waste, limited vacancies, etc • Current suppliers: e.g. more orders, increased workload, more revenue, increased profit, new training needs, may lose contract to supply, etc • New suppliers: e.g. more opportunities to supply, more orders, increased workload, more revenue, increased profit, new training needs, etc <p>Exemplar response:</p> <p>Glamping customers may not be able to book their accommodation on <i>May's Farm</i> (L1) because of increased demand from wedding parties (L2). This means they may have to pay more to stay somewhere else (L3).</p>	16	<p>Levels of response</p> <p>Level 4 (13 - 16 marks) Candidate evaluates likely impact(s) of the change on customers and suppliers of <i>May's Farm</i>.</p> <p>Level 3 (9 - 12 marks) Candidate analyses likely impact(s) of the change on customers/suppliers of <i>May's Farm</i>.</p> <p>Level 2 (5 – 8 marks) Candidate explains likely impact(s) of the change on customers/suppliers of <i>May's Farm</i>.</p> <p>Level 1 (1 – 4 marks) Candidate identifies impacts of change on customers/suppliers of <i>May's Farm</i>.</p>

Question	Answer	Marks	Guidance
	<p>Customers of May's Hall will benefit from more choice of wedding venues (L1) making the organisation of such an important event less stressful (L3).</p> <p>Suppliers will benefit from more sales (L1), increasing their profits (L3). However, an increase in demand may put pressure on the supplier's current resources (L1), more staff may be needed to fulfil the orders from May's Hall (L2), increasing costs (L3).</p> <p>Overall, the external stakeholder that would benefit the most from the change are the suppliers due to the potential increase in demand for food (CONT) items for May's Hall (L4). Suppliers will continue to benefit with each wedding held at the barn. Whilst customers will benefit, it is likely that they will only benefit the once, as few will be booking multiple weddings (L4).</p>		<p>L1 – impacts on customer/supplier. <i>E.g. catering suppliers may gain more orders.</i> (One L1 per impact)</p> <p>L2 – any development of impact (which stops short of being analytical). <i>E.g. because May's Farm will need to purchase food in bulk.</i> (Max one L2 per L1).</p> <p>L3 – benefits/drawbacks on customer/suppliers as a result of impact. <i>E.g. increasing the supplier's profit.</i> (Max one L3 per L1/L2 point).</p> <p>MAX 2 customer impacts and 2 supplier impacts. In each case, award best two.</p> <p>L4 - evaluation – a justified decision as to the impacts on customers or suppliers.</p> <p>Award 13 marks for a one-sided non-contextual justification evaluating impacts on customers or suppliers (no context).</p> <p>Award 14 marks for a one-sided contextual justification evaluating impacts on customers or suppliers (with context).</p> <p>Award 15 marks for a two-sided non-contextual comparative justification evaluating impacts on customers and suppliers (no context).</p> <p>Award 16 marks for a two-sided contextual comparative justification evaluating impacts on customers and suppliers (with context).</p>

Question		Answer	Marks	Guidance
				<p>NB L4 judgement could be customers/suppliers, positive/negative, short term v long term, most significant/less significant.</p> <p>NB This question relates to Resource 1. Do not award specific impacts for Resource 2 (with the exception of noise).</p> <p>NB: The question is about impacts on customers/suppliers. Do <u>not</u> award <u>impacts on <i>May's Farm</i></u>.</p> <p>Candidates must clearly identify which stakeholder the impact applies to i.e. customer or supplier to award marks.</p>
2	(a)	<p>Use levels of response criteria.</p> <p>Indicative content:</p> <ul style="list-style-type: none"> • <u>dirty</u> toilets (late evenings) • <u>catering</u> staff flustered/unfriendly • (food) menu (lacked imagination) • noise (complaints glamping tent customers) • website (more information, clear prices, services offered) • <u>net</u> profit margin (5% rather than 10% industrial average) • booking cancellation rate (35% rather than 22% industrial average) • plastic packaging (30% of products against target of 25%) • trained/qualified staff (60% against target of 75%). <p>Exemplar response:</p> <p>Having dirty toilets (L1) is an issue which needs addressing, since customers will not want to use dirty toilets (L2). If this issue is not fixed, it is likely to have a negative impact on the business' reputation (L3).</p>	16	<p>Levels of response</p> <p>Level 4 (13 – 16 marks) Candidate evaluates the most important issue(s) that the partners need to address.</p> <p>Level 3 (9 - 12 marks) Candidate analyses the impact of <u>not</u> addressing one or more of the issues.</p> <p>Level 2 (5 – 8 marks) Candidate shows understanding of why one or more of the issues need to be addressed.</p> <p>Level 1 (1 – 4 marks) Candidate identifies one or more of the issues that the partners need to address.</p> <p>Answer must be those shown in Resource 2.</p>

Question	Answer	Marks	Guidance
	<p>The booking cancellation rate is a concern (L1) because it is 13% below the the industrial average (L2). This could lead to poor cash flow control (L3).</p> <p>82% would like to see more information on their website (L1). Failing to provide pricing information may reduce the number of customers May's Hall receives (L3).</p> <p>The most urgent and important issue to address is the dirty toilets as this is a hygiene risk. This is more important than the booking cancellation rate or the lack of information on the website or the catering staff being flustered because hygiene could lead to customers becoming ill (L4).</p>		<p>L1 – an issue from Resource 2. <i>E.g. the website</i> (One L1 per issue)</p> <p>L2 – any development of the problems caused by the issue (which stops short of being analytical). E.g. Reason why issue is problematic <i>E.g. potential customers may not be impressed with the website</i> OR Data <u>calculation</u> <i>E.g. Only 18% of customers thought there was enough information on the website.</i> (Max one L2 per L1).</p> <p>L3 –a business-facing impact (negative) of not addressing the issue. <i>E.g. Losing out on revenue.</i> (Max one L3 per L1/L2 point).</p> <p>L4 evaluation – a ranking of the issues.</p> <p>Award 13 marks for a valid rationale of ranking mentioning one issue.</p> <p>Award 14 marks for a valid rationale of ranking mentioning two issues.</p> <p>Award 15 marks for a valid rationale of ranking mentioning three issues.</p> <p>Award 16 marks for a valid rationale of ranking mentioning four issues.</p> <p>NB: The question is about issues (and the problems that result). Do <u>not</u> award <u>causes</u> or <u>solutions</u>.</p> <p>An issue is required to award any marks.</p> <p>No issue identified, then no marks.</p>

Question		Answer	Marks	Guidance
2	(b)	<p>Responses include:</p> <ul style="list-style-type: none"> • staff training • more/high pay • bonuses • reward (schemes) e.g. reward for meeting a target or doing a task • praise • flexible working hours • longer breaks • employee of the month award • provide opportunities for promotion • job rotation • job enrichment • empowerment (give employees a say in decision-making) • use a democratic/paternalistic leadership style • listen to workforce concerns • fringe benefits (1) e.g. free food (1), discounts (1), etc. 	4	<p>One mark for each correct identification up to a maximum of four identifications.</p> <p>Do not award 'communicate regularly', 'hold frequent meetings' unless their content is clearly motivational.</p> <p>Do not award 'appoint more staff' or 'reduce workload'.</p> <p>Do not award vague responses e.g. 'shared values', 'benefits', 'health and safety improvements', 'less pressure', 'fair working hours', 'reasonable hours' or 'incentives' unless specific detail is given.</p> <p>Accept different fringe benefits as separate answers.</p>

OCR (Oxford Cambridge and RSA Examinations)
The Triangle Building
Shaftesbury Road
Cambridge
CB2 8EA

OCR Customer Contact Centre

Education and Learning

Telephone: 01223 553998

Facsimile: 01223 552627

Email: general.qualifications@ocr.org.uk

www.ocr.org.uk

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

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