OCR
Oxford Cambridge and RSA

Monday 16 June 2014

Level 4 Certificate in Management Consulting

Unit 5 Business environment, structure and governance

MARK SCHEME

Duration: 1 hour

MAXIMUM MARK   50

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 anyway 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 question
   Note: 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.

For answers marked by levels of response:
- a. **To determine the level** – start at the highest level and work down until you reach the level that matches the answer
- b. **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

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

Annotation	Meaning of annotation

10. 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.

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

MARK SCHEME

Question			Answer/Indicative content	Mark	Guidance
1			Indicative content: · relationships between principals and agents · management/directors need to act in the best interests of owners/shareholders · conflict of interest between owners and controllers. Exemplar response: Eg Company managers need to ensure that they operate in a way which benefits shareholder interests rather than their own **(1)**.	1	For one mark.

Question	Answer/Indicative content	Mark	Guidance
2	Use levels of response criteria. Indicative content: · internal/connected/external stakeholders · degree of power/interest · Medelow's matrix · managed differently · unequal dependence · affect on reputation · stakeholder self-interest · contractual relationships · bias towards certain stakeholders groups · ignoring of certain stakeholder groups · management's unique role · proactive/reactive · poor decision making · errant resource allocation · effects on business planning · need for confidentiality · conflict management/resolution. Exemplar response: Eg Stakeholder groups have differing interests and these interests often conflict **(L1)**. When a conflict occurs a business should take into account the needs of all stakeholders but some will, by necessity, take precedence **(L1)**. Power differentials amongst stakeholder groups are likely to mean that senior executives try to appease those on whom they are particularly dependent eg shareholders **(L1)**. They are also more likely to resolve conflict among those groups who can significantly affect the reputation of the organisation eg pressure groups who are active with	8	**Levels of response** **Level 2 (5 – 8 marks)** Candidate explains how power differentials between stakeholder groups may impact on the way a business manages stakeholder conflict. **Level 1 (1 – 4 marks)** Candidate identifies power differentials between stakeholder groups .

Question			Answer/Indicative content	Mark	Guidance
			the media **(L1)**. This can lead to the organisation failing to resolve conflicts among some stakeholder groups **(L2)** or making decisions based on the opinions of those stakeholders who hold more power **(L2)**. Making decisions which are influenced by internal politics or power struggles can jeopardise the long term future of the business **(L2)**, especially if the opinions which are valued are from stakeholder groups who have significant self-interests rather than interests in the longevity and prosperity of the business **(L2)**.		

Question			Answer/Indicative content	Mark	Guidance
3	(a)		Indicative content: · state/tax payer/state owned · central government/local authority controlled · state run · funded by tax payer/general public rather than private investment. Exemplar response: Eg An organisation which is owned and controlled by the government **(1)**.	1	For one mark. Do **not** award examples.

Question			Answer/Indicative content	Mark	Guidance
3	(b)		Indicative content: · resource operational requirements · source supplies · manage tenders · award contracts · agree contract terms · social benefit v financial benefit · value for money/best value · price v quality · correct timing · purchasing goods and services. Exemplar response: Eg The main role of the procurement function is to obtain the goods and services which the organisation needs **(1)**. In public sector organisations procurement is usually done by way of tender in an attempt to gain best value **(1)**. It is the responsibility of the procurement personnel to award contracts to suitable suppliers to ensure continuity of supply **(1).**	3	One mark for each correct point of description up to a maximum of three such points, but allow development. For full marks the description must be applicable to public sector organisations.

Question			Answer/Indicative content	Mark	Guidance
4			Indicative content: · classified into four main types: power, role, task and support (person) cultures · power culture: spider's web · role culture: building supported by columns · task culture: a net · support (person) culture: constellations of stars · cultural propriety · culture and structure interrelated.	6	One mark for each correct explanatory point up to a maximum of six such points, but allow development Do not award examples.

Question			Answer/Indicative content	Mark	Guidance
			Exemplar response: Eg Charles Handy states that the culture of all businesses fall into one of four categories **(1)**. By far the most common is the power culture **(1)**. He illustrates this type of culture with a spider's web **(1)**. The key to the organisation is in the centre (ie the spider). The closer you are to the spider the greater influence you have **(1)**. This type of culture relies heavily on individuals rather than committees and is driven by results **(1)**. Charles Handy believes that the structure of the organisation directly affects the type of culture it develops **(1)**.		

Question			Answer/Indicative content	Mark	Guidance
5			Indicative content: · shareholders v directors/managers · differing needs/interests of owners and controllers · agency theory · different owners/controllers – differing roles · need for corporate governance. Exemplar response: Eg The owners of a company are its shareholders but this stakeholder group has little control over the organisation. Managers have day-to-day control with directors taking strategic control **(1)**.	1	For one mark.

Question			Answer/Indicative content	Mark	Guidance
6			Indicative content: · speed of production · increased output · accuracy/quality · resource efficiency · capable of near continuous production · error minimisation · economies of scale · standardised output · less waste · less labour intensive · cost benefits. Exemplar response: Eg Less reliant on human beings who get tired and need breaks **(1)**.	2	One mark for a correct identification up to a maximum of two identifications.

Question			Answer/Indicative content	Mark	Guidance
7			Indicative content: · focused on specific objectives · the administration of big projects to achieve corporate goals · connects strategy with operations · middle managers try to action strategy. Exemplar response: Eg Personnel who operate at tactical level are tasked with contributing to the overall plan of the organisation by achieving specific objectives **(1)**.	1	For one mark. Do **not** award examples.

Question			Answer/Indicative content	Mark	Guidance
8			Indicative content: · corporate governance · better risk management · better risk prediction · UK Corporate Governance Code · responsible for oversight of current risk exposure · give advice on future risk strategy · minimise organisational exposure to risk · report in separate section of annual report · chair of risk committee to answer questions at AGM · enhances independence/integrity · accountability/transparency · stand up to external scrutiny · to increase confidence – public, investors · to follow best practice · fraud protection · contingency planning · to be seen to be following latest guidelines. Exemplar response: Eg To be seen to meet the requirements of the UK Corporate Governance Code **(1)**.	3	One mark for a correct identification to a maximum of three identifications.

Question			Answer/Indicative content	Mark	Guidance
9			Indicative content: · common legislation · European Court of Justice · trading bloc/single market · single currency · free trade	6	One mark for a correct identification up to a maximum of three identifications, plus a further one mark for each of three explanations. Award specific pieces of EU legislation.

Question			Answer/Indicative content	Mark	Guidance
10			· imports/exports · free movement of EU citizens · EU intellectual property rights protection · EU competition rules · foreign direct investment · collaborative partnership · common agricultural policy · subsidies. Exemplar response: Eg The European Union grants the right of free movement for EU citizens within its 27 member states **(1)**. This is especially valuable to employers in sectors where there are UK skill shortages because it enables them to recruit from a far wider pool **(1)**.		

Question			Answer/Indicative content	Mark	Guidance
10			Use levels of response criteria. Indicative content: · beyond legal requirements · ethical dealings · fairness/honesty/integrity · fair trade · sustainability · access to the environmentally friendly market · avoid exploitation · buy local · buy ethical/environmentally friendly · improve reputation · enhance public relations	8	**Levels of response** **Level 2 (5 – 8 marks)** Candidate explains how trading ethically can help a business meet its corporate and social responsibilities. **Level 1 (1 – 4 marks)** Candidate identifies ethical working practices. Must be about ethical **trading** not ethical working practices. Must be about buying/selling – relationships with suppliers and customers.

Question	Answer/Indicative content	Mark	Guidance
	· social benefit. Exemplar response: Eg Ethical trading ensures that there is no exploitation in the supply chain **(L1)**. A business should ensure that it pays a reasonable price to suppliers for the goods it purchases **(L1)** and refuse to trade with those who force their employees to work excessive overtime or in poor safety conditions **(L1)**. A business could also consider the possibility of joining the Ethical Trading Initiative – a ground breaking alliance of businesses, trade unions and voluntary organisations committed to fair trade **(L1)**. The business will be known as a socially responsible organisation which considers not only its own profit margins but the welfare of others **(L2)**. It may well bring additional customers into the business, especially those with a strong social conscience **(L2)**. By benefiting the wider society the business also secures for itself an enhanced reputation **(L2)**. This helps the business promote fairness in the supply chain whilst meeting its obligations to its shareholders **(L2)**.		

Question	Answer/Indicative content	Mark	Guidance
11	Use levels of response criteria. Indicative content: · family friendly work patterns · childcare facilities · flexible hours/flexi time · part-time/full-time · temporary/permanent · home working	10	**Levels of response** **Level 2 (6 – 10 marks)** Candidate explains how employee-driven changes in employee work patterns may affect a business. **Level 1 (1 – 5 marks)** Candidate identifies employee-driven changes in employee work patterns.

Question	Answer/Indicative content	Mark	Guidance
	· remote working/mobile technologies · job sharing · reduction in core workforce · zero hours contracts · outsourced labour/contractors/consultants · emphasis on work-life balance. Exemplar response: Eg As mobile technologies advance employees are more and more able to work remotely **(L1)**. Many employees no longer need to make the daily commute to work to pick up schedules and documents for the working day. Instead they can access the information they need from their laptop or smart phone **(L1)**. This advancing technology has its advantages and disadvantages for the employer. The business needs to purchase the technology for its employees. The costs involved go far beyond the initial capital spend; technical expertise is also needed to select the right products and provide ongoing support **(L2)**. There are also considerable time implications in training the staff and many security issues to deal with. Time taken up with training and security issues is non-productive for the organisation and may lead to a temporary reduction in productivity **(L2)**. However the equipment can benefit the employer greatly. Improved communication, especially when employees are out and about representing the organisation, improves overall operational efficiency **(L2)**. Add to this the fact that the workers do not need to commute each day means that they are likely to be less tired, increasing morale and worker productivity **(L2)**. An excellent employee who needs more flexible child-friendly working conditions no longer needs to leave the organisation. Working from		Explanation must show how employee-driven changes in employee work patterns impact on business. Impacts may be positive or negative. Must be work **patterns**.

Question			Answer/Indicative content	Mark	Guidance
			home is now possible, and valuable staff can be kept on. This ensures that the employee's knowledge and skills are retained and reduces labour turnover. The business benefits from continuity of staff and lower recruitment costs **(L2)**.		