GCSE
BUSINESS
8132/1

Paper 1 Influences of operations and HRM on business activity

Mark scheme

June 2022

Version: 1.0 Final Mark Scheme

226G8132/1/MS

Mark schemes are prepared by the Lead Assessment Writer and considered, together with the relevant questions, by a panel of subject teachers. This mark scheme includes any amendments made at the standardisation events which all associates participate in and is the scheme which was used by them in this examination. The standardisation process ensures that the mark scheme covers the students' responses to questions and that every associate understands and applies it in the same correct way. As preparation for standardisation each associate analyses a number of students' scripts. Alternative answers not already covered by the mark scheme are discussed and legislated for. If, after the standardisation process, associates encounter unusual answers which have not been raised they are required to refer these to the Lead Examiner.

It must be stressed that a mark scheme is a working document, in many cases further developed and expanded on the basis of students' reactions to a particular paper. Assumptions about future mark schemes on the basis of one year's document should be avoided; whilst the guiding principles of assessment remain constant, details will change, depending on the content of a particular examination paper.

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Level of response marking instructions

Level of response mark schemes are broken down into levels, each of which has a descriptor. The descriptor for the level shows the average performance for the level. There are marks in each level.

Before you apply the mark scheme to a student's answer read through the answer and annotate it (as instructed) to show the qualities that are being looked for. You can then apply the mark scheme.

Step 1 Determine a level

Start at the lowest level of the mark scheme and use it as a ladder to see whether the answer meets the descriptor for that level. The descriptor for the level indicates the different qualities that might be seen in the student's answer for that level. If it meets the lowest level then go to the next one and decide if it meets this level, and so on, until you have a match between the level descriptor and the answer. With practice and familiarity you will find that for better answers you will be able to quickly skip through the lower levels of the mark scheme.

When assigning a level you should look at the overall quality of the answer and not look to pick holes in small and specific parts of the answer where the student has not performed quite as well as the rest. If the answer covers different aspects of different levels of the mark scheme you should use a best fit approach for defining the level and then use the variability of the response to help decide the mark within the level, ie if the response is predominantly level 3 with a small amount of level 4 material it would be placed in level 3 but be awarded a mark near the top of the level because of the level 4 content.

Step 2 Determine a mark

Once you have assigned a level you need to decide on the mark. The descriptors on how to allocate marks can help with this. The exemplar materials used during standardisation will help. There will be an answer in the standardising materials which will correspond with each level of the mark scheme. This answer will have been awarded a mark by the Lead Examiner. You can compare the student's answer with the example to determine if it is the same standard, better or worse than the example. You can then use this to allocate a mark for the answer based on the Lead Examiner's mark on the example.

You may well need to read back through the answer as you apply the mark scheme to clarify points and assure yourself that the level and the mark are appropriate.

Indicative content in the mark scheme is provided as a guide for examiners. It is not intended to be exhaustive and you must credit other valid points. Students do not have to cover all of the points mentioned in the Indicative content to reach the highest level of the mark scheme.

An answer which contains nothing of relevance to the question must be awarded no marks.

The own figure rule

General principle: The own figure rule is designed to ensure that students are only penalised once for a particular error at the point at which that error is made, and suffer no further penalty as consequence of the error. Where the own figure rule is to be applied in a mark scheme, the symbol OF is used.

Section A

Total for this section: 20 marks

Multiple Choice Questions

Question Number	Answer
1.1	**A** – Commission
1.2	**C** – Observing an employee doing their job
1.3	**D** – Sudden increases in demand are not a problem
1.4	**A** – Can include answers to customer questions
1.5	**B** – Preventing mistakes
1.6	**B** – Enterprise

Q1.1 to Q1.6 = AO1 × 6 **[1 mark for each correct answer]**

1.7	Explain **one** detail that could be agreed between partners in a partnership. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying something that could be agreed.
1 mark for explaining what the details of the agreement are/reasons for the agreement.

Answers may include:
- profit sharing
- salary
- voting rights
- capital
- allowing new partners
- retirement of partners
- sharing the workload
- amount of investment
- sharing of liability
- important decisions e.g. what products to sell
- setting objectives

Examples of a developed answer

Voting rights (1) would indicate how much say each partner would have when decisions are made (1).

The payment of a salary (1) for a partner who works in the business (1)

How the profits will be shared (1) this may be equally (1)

1.8	Explain **one** reason why it is important for a business to have an internal organisational structure. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying a reason for the importance of having an internal organisational structure.
1 mark for explaining the importance of an internal organisational structure.

Answers may include:

Reasons for having an internal organisational structure
- organisation of employees
- enables it to function
- enables it to carry out activities
- shows how employees fit in the business
- flow of communication
- monitoring of employees

Importance
- employees know their roles in relation to other employees
- delegation is clearer
- employees know who to report to
- employees know who they are responsible for.
- employees work to a high standard

Example of a developed answer
An internal organisational structure allows a business to organise it employees (1) so that they know their roles in relation to other employees in the organisation (1).

1.9	Explain **one** example of how a business would meet the requirements of consumer law to provide safe goods or services. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying the requirements of consumer law in relation to provide safe goods or services.
1 mark for giving an example **or** how it would be achieved.

Possible answers may include:
- goods must be as described
- labelling of products
- products must work properly
- products must be safe to use/consume

Examples of developed answers
Consumer law states goods must be labelled correctly, (1) for example businesses need to state what ingredients are in food products (1).

Business must make sure that products are safe to use (1) for example any electrical products must be tested (1).

Markers note
Don't allow repeating of the question e.g. must ensure products are safe.

1.10	Explain **one** reason for completing job analysis. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying a reason for job analysis.
1 mark for explaining the reason for completing job analysis.

Possible answers may include:
Reasons
- understanding what the job involves
- collection and interpretation of information about the job
- examines the tasks of the job
- examines the skills needed to carry out the job
- allows documents used in the recruitment process to be drawn up

Explanation
- for the right person to be appointed
- helps managers make effective recruitment decisions

Examples of developed answers
Job analysis examines the skills needed to carry out the job (1) so that the right person to carry out the job can be appointed (1).

Job analysis collects and interprets the information about the job (1) this helps make sure that managers make the right decision when appointing someone (1).

Markers note
Do not award an explanation mark without a reason for job analysis.

1.11	Explain **one** reason why a business would set objectives. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for identifying a reason why objectives are set by a business.
1 mark for explaining why objectives are set by a business.

Reasons
- to make it clear what the business wants to achieve
- to give direction
- to provide a target
- to motivate employees

Explanation:
- resources can be focused on achieving the objectives
- allows the employees and management to know what markets or areas to focus on
- targets can be measured to judge success or change action
- employees' targets can be set based on the business objectives
- All employees are working towards the same goal

Example of a developed answer
Objectives could be set to make it clear what the business wants to achieve (1) so that resources can be focused on achieving the objectives. (1)

To provide a target (1) which allows the employees and management to know what areas to focus on. (1)

Markers note
If candidates are identifying motivation as reason for setting objectives, the developed must focus on how setting an objective leads to this, rather than the benefits of motivation.

1.12	Explain **two** benefits to a business of using internal recruitment. **[4 marks]**

Marks for this question: AO1 – 4 marks

1 mark for identifying a benefit of internal recruitment and **1 mark** for explaining × 2.

Possible answers may include:
- candidates know the people they will be working with
- it will cost less than external recruitment
- candidates will have experience of the business/business knows the candidate
- offer existing employees the possibility of promotion
- requires less induction
- saves time to recruit an employee

Examples of a developed answer
It will cost less than external recruitment (1) as the business doesn't have to pay for expensive external advertising (1).

Offers existing employees the possibility of promotion (1) meaning that they will be motivated to work harder (1).

Markers note
The candidate must refer to induction training if explaining a benefit is less training is required.

If the candidate is explaining a benefit of offering existing employees the possibility of promotion the development must clearly explain how this benefits the business.

Section B

Total for this section: 33 marks

2.1	Identify **two** objectives of a business. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for each correct objective identified × 2.

Answers may include:
- survival
- profit
- growth/sales/new products
- market share/customer retention
- customer satisfaction
- social and ethical objectives
- shareholder value
- lower costs
- improve cash flow

2.2	Calculate Premium Motors' revenue for this booking. **[5 marks]**

Marks for this question: AO2 – 5 marks

Revenue = £680 (5)

Method 2
VC per car = £50 + £20 = £70 (1)

Total variable cost = £70 × 4 = £280 (1)

Total costs = £280 OFR + 200 = £480 (1)

Total profit = £50 × 4 = £200 (1)

Revenue = £480 OFR + £200 = £680 (1)

Method 1
Total Driver VC = 50 X 4 = £200 (1)

Total Petrol VC = 20 X 4 = £80 (1)

Total costs = 200 + 80 OFR + 200 OFR = £480 (1)

Total profit = £50 × 4 = £200 (1)

Revenue = £480 OFR + £200 = £680 (1)

Markers note: Candidates must use method 1 or 2 and not combine their approach.

2.3	Since Premium Motors started 10 years ago it has expanded slowly using organic growth. Recommend whether Premium Motors should now take over LLC. Give reasons for your recommendation. **[9 marks]**

Marks for this question: AO2 – 3 marks AO3 – 6 marks

Level	Marks	Description
3	**7–9**	**Detailed analysis and evaluation of topics based on the context** • Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**4–6**	**Sound analysis and evaluation of topics based on the context** • A line of reasoning, with a conclusion that has some justification. • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–3**	**Basic analysis and evaluation of topics based on the context** • Basic line of reasoning with a conclusion. • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Indicative content:

Application	Analysis/evaluation
Premium Motors has been growing using organic growth which has taken 10 years. Premium Motors will gain LLC's customer base instantly. Highly competitive market.	Taking over an established business will be a quick method of growth. The takeover will instantly give Premium Motors an existing customer base, with contracts with hotels lasting for another 12 months. This will save time of having to establish a customer base and reputation compared with organic growth. As the London market is competitive there is a risk using organic growth that Janet will not be able to attract customers away from the competition in an area where she has no reputation. As organic growth took 10 years in the past the external growth will enable Premium Motors to expand quicker.
With the hotel contracts only lasting another year it will then have to be agreed again. Coordination from Manchester. Janet not familiar with London.	The takeover is external growth is expensive as the cost of the takeover is £400 000. Janet will receive the customer base as part of the price paid, but as this only lasts for a year, she will have to renegotiate the contracts. If Janet is unable to manage the business effectively from Manchester this could affect its reputation and the hotels may choose a competitor when the contract finishes. This is more likely given that Janet is unfamiliar with the London area and business decisions may not be right for LLC's market. Paying £400 000 represents

	poor value for money if the contracts last only one year; there is only short-term gain.

Evaluation/Conclusion
- How confident would Janet be of expanding into London using organic growth?
- How secure is the customer base that she will acquire through the takeover?

2.4	Explain **one** economic change that can affect a business. **[2 marks]**

Marks for this question: AO1 – 2 marks

1 mark for knowledge of an economic change
1 mark for the effect or an explanation of the economic change

Answers may include:
- interest rates
- inflation
- gross domestic product
- levels of employment
- consumer spending
- exchange rates
- taxes
- recession/trade cycle

Examples of a developed answer
An economic change could be rise in interest rates (1) this will decrease consumer spending (1).

An economic change could be inflation (1) this may increase the cost of supplies (1).

2.5	Janet is considering introducing a new induction training programme for the new drivers to ensure a high level of customer service. Analyse **one** benefit of introducing the new induction training for drivers. **[6 marks]**

Marks for this question: AO2 – 3 marks AO3 – 3 marks

Level	Marks	Description
3	**5–6**	**Detailed analysis of topics based on the context** • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**3–4**	**Sound analysis of topics based on the context** • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–2**	**Basic analysis of topics based on the context** • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Answers may include:

Application:
- the video will help drivers review how to deal with customers and have a high customer service – **induction helps employees carry out their roles more efficiently**
- the role play exercise will allow drivers to practise dealing with difficult customers so when faced with them they know what do to – **induction can help drivers become more productive**.

Example of a Level 3 developed answer
The role play exercise will allow drivers to practise dealing with difficult customers in an environment where they can make mistakes without it affecting the business' reputation for quality of service. This will mean that the new drivers will become more productive more quickly as when faced with a difficult customer they will know what do to, as the induction will have given them the opportunity to run through a number of different scenarios. Compared with a leaflet this will be more effective in making sure that there are fewer complaints about drivers, especially as they have also watched the more experienced driver dealing with a customer.

2.6	Premium Motors has developed the new website to provide information about cars before making a booking. Janet is thinking of adding the option to book cars directly on the website. Recommend whether Janet should use e-commerce to **improve customer service** at Premium Motors. Give reasons for your recommendation. **[9 marks]**

Marks for this question: AO2 – 3 marks AO3 – 6 marks

Level	Marks	Description
3	**7–9**	**Detailed analysis and evaluation of topics based on the context** • Sustained line of reasoning, which is coherent, relevant, substantiated with a focused conclusion that is fully justified. • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**4–6**	**Sound analysis and evaluation of topics based on the context** • A line of reasoning, with a conclusion that has some justification. • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–3**	**Basic analysis and evaluation of topics based on the context** • Basic line of reasoning with a conclusion. • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Indicative content:

Application	Analysis/evaluation
The price depends on several factors which will be difficult to manage online. At present there are no prices for car hire on the website. Customers must telephone a salesperson between 9 am and 6 pm Monday to Friday to agree the price of their car hire booking.	E-commerce will not improve customer service as customers may find it difficult to find the correct price due to the several factors which make up the price. If customers do not have a straightforward booking, for example they are picking up customers from lots of locations this could make calculating the price difficult. If the customer books a car thinking they have worked out the price and this is not correct, then this could lead to complaints. As the prices are not currently on the website due to the fact there is not a set price it could mean this service is not suitable for e-commerce. Incorrect prices could mean that the booking does not make a profit for the business, which long term could lead to the business becoming insolvent.
Prices could be requested using online chat and then easily booked. Telephoning a salesperson between 9 am and 6 pm Monday to Friday for	E-commerce will improve customer service as it allows customers to book at times convenient for them, increasing customer satisfaction. The sales team is only currently available Monday to Friday between 9 am and 6 pm, which means that if a customer is at work, they may not be able to

the cost of car hire could be inconvenient.	contact them. Looking at the videos and photos should give the customer the information they need and then the online chat could be used to get an accurate price. This could lead to more sales due to the convenience and even more increase in demand for the services.

Evaluation
Depends if the online chat team can give accurate prices.
Depends on what they are booking the car for – more complicated bookings such as weddings will need the sales team to consider the price to make sure a profit is made.

Section C

Total for this section: 37 marks

3.1	Using **Item C**, explain **one** advantage to Fone ltd of being a private limited company when expanding the business. **[4 marks]**

Marks for this question: AO1 – 2 marks AO2 – 2 marks

Level	Marks	Description
2	**3–4**	**Sound understanding and application of the topics** • Applies knowledge and understanding to the context sufficiently. • A sound understanding of one or more business concepts and issues.
1	**1–2**	**Basic understanding and application of the topics** • Applies basic knowledge and understanding to the context. • A basic understanding of one or more business concepts.
0	**0**	Nothing written worthy of credit.

Answers may include:

Knowledge and Application:
- **limited liability** – £2 million loan for new a production line investment, limited to losing £50 000 investment
- **decision-making and control maintained** – family ltd with four founding members.

Example of a Level 2 developed answer
An advantage of a private limited company is that the founding owners can maintain control through the limited sale of shares. Anita and her three brothers have complete control over the business as they have not sold any further shares. Therefore when making decisions when expanding there are only four people who will be involved.

3.2	The business has decided to expand by introducing car phone holders to its product range. Using **Item C**, explain the opportunity cost of this decision. **[4 marks]**

Marks for this question: AO1 – 2 marks AO2 – 2 marks

Level	Marks	Description
2	**3–4**	**Sound understanding and application of the topics** • Applies knowledge and understanding to the context sufficiently. • A sound understanding of one or more business concepts and issues.
1	**1–2**	**Basic understanding and application of the topics** • Applies basic knowledge and understanding to the context. • A basic understanding of one or more business concepts.
0	**0**	Nothing written worthy of credit.

Answers may include:

Application:
- **sacrifice made** – headphones given up
- **trade-off made** – can only invest £2m in one option
- **something that has been given up** – headphones.

Example of a Level 2 developed answer
Opportunity cost occurs when a business is faced with a decision and must decide on one over another. Fone ltd had two options available to it and when it made the decision to go ahead with producing car phone holders a sacrifice was made. As the business can only invest £2 million in one option the option that was given up, producing headphones, is the opportunity cost.

3.3	There have been 500 applications received for the team leader's job and the business now needs to shortlist only the most suitable applicants. Using **Item C**, analyse **one** way the person specification can be used to decide which applicants to invite for an interview. **[6 marks]**

Marks for this question: AO2 – 3 marks AO3 – 3 marks

Level	Marks	Description
3	**5–6**	**Detailed analysis of topics based on the context** • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**3–4**	**Sound analysis of topics based on the context** • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–2**	**Basic analysis of topics based on the context** • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Application:

- essential skills – three years' experience of leading employees and communication skills – **rule out any applicants without essential experience as it's important to recruit the people with the right experience to ensure job success**
- shortlist any candidates who meet both the essential and desirable requirements, eg have worked in the mobile phone market – **desirable could limit the amount of training needed and essential requirements would ensure the applicant is efficient at the role**
- needs someone who can lead effectively and help the success of the expansion – **effective management of the new product**.

Example of a Level 3 developed answer

The person specification helps the business shortlist applicants for interview based on their skills/experience which gives them the ability to carry out the role. The business has indicated that it is essential that the applicants have experience of leading employees and good communication. If this is not present on their application then they can discard these applicants as they will not be suitable for the role. This should reduce the 500 people who applied. Ones that are left can be matched to the desirable requirements as this will mean they can carry out the role more effectively once employed and may save training for the business. This final list will be more likely be suitable for interview and match Anita's need to find someone who can lead effectively.

3.4	Identify **one** reason for diseconomies of scale occurring. **[1 mark]**

Marks for this question: AO1 – 1 mark

Answers may include:
- poor communication
- coordination issues
- management issues
- reduced employees' motivation

3.5	Using the information in **Table 2**, calculate the average number of phone cases per month produced from April to June. **[4 marks]**

Marks for this question: AO2 – 4 marks

Answer = 38 200 **(4)**

Output for May 234 000 / 6 **(1)** = 39 000 **(1)**

Total output for 3 months 25 600 + 39 000 **OFR** + 50 000 = 114 600 **(1)**

Total output for 3 months 114 600 **OFR** / 3 = 38 200 **(1)**

Markers note

If the candidate incorrectly adds four months of sales of phones and then calculated the average of this, they can be rewards the final mark *if* they clearly show the total output as divided by 4.

Total output for 4 months 25 600 + 39 000 **OFR** + 50 000 + 20000= 134 600 **(0)**

Total output for 4 months 134 600 / 4 **OFR** = 33 650 **(1)**

3.6	Demand for the new ultra-thin phone cases is increasing. Analyse **one** advantage to Fone ltd of introducing its new flow production process. **[6 marks]**

Marks for this question: AO2 – 3 marks AO3 – 3 marks

Level	Marks	Description
3	**5–6**	**Detailed analysis of topics based on the context** • Business areas are fully analysed. • Applies knowledge and understanding to the context sufficiently.
2	**3–4**	**Sound analysis of topics based on the context** • Business areas are partially analysed. • Applies some knowledge and understanding to the context.
1	**1–2**	**Basic analysis of topics based on the context** • Basic analysis of business areas. • Basic knowledge and understanding is applied to the context.
0	**0**	Nothing written worthy of credit.

Application:

- increased demand for ultra-thin cases and the new flow production process means the business can produce up to 100 000 phone cases a month – **flow allows businesses to increase volume to meet sales as demand is there**
- machines able to change the shape and style of the mobile phone cases for different makes and models of phones – **use of equipment in flow production makes it easier to meet the demand for different phones and product range can increase**
- workers have specific jobs such as to load different colour materials into machines – **allows for specialisation and workers can become more efficient**
- unit costs have decreased by £1.50 – **the business has benefited from economies of scale due to new machinery**
- flow has reduced need for employees which have reduced from 14 to 10 – **could save costs and result in economies of scale**.

Example of a Level 3 developed answer

The business is experiencing an increasing demand for ultra-thin cases and the new flow production process means the business can produce up to 100 000 phone cases a month. Flow production will make it more efficient as production can be continuous without the need to stop. The specialist machine will enable the business to use this increase in output to meet the demand for different shapes and styles of phones which will need slight changes made such as the colour, allowing a wider range of consumer demand to be met.

3.7	Anita wants to increase the productivity of all employees quickly and plans to use **two** options to achieve this. 1. Introduce a new lean production technique to each department. 2. Change the organisational structure and recruit internally for new assistant managers within each department. Analyse the effect of each of these **two** options on all employees at **Fone ltd**. Recommend which option **Fone ltd** should introduce first to improve productivity of all its employees in the short term. **[12 marks]**

Marks for this question: AO1 – 3 marks AO2 – 3 marks AO3 – 6 marks

Level	Marks	Description
4	**10–12**	**Developed, integrated analysis and evaluation of topics with sustained judgement based on context** • An integrated line of reasoning, which is coherent, relevant, with a conclusion where the area which has been impacted on the most has been fully justified. • Interdependent nature of business areas is fully analysed. • Applies knowledge and understanding to the context and successfully draws together several functional areas of business.
3	**7–9**	**Detailed analysis and evaluation of topics based on the context** • A line of reasoning, which is coherent, relevant, with a conclusion that is justified. • Different business areas are analysed independently, or the interdependent nature of business areas is partially analysed. • Applies knowledge and understanding to the context and starts to draw together several functional areas of business.
2	**4–6**	**Sound analysis and evaluation of topics in isolation of their interdependence based on the context** • A line of reasoning, with a conclusion that has some justification. • One business area is analysed independently. • Applies some knowledge and understanding to the context.
1	**1–3**	**Basic generic discussion of topics** • A basic understanding of business concepts in isolation. • A basic understanding of one or more business concepts. • Partial relevance to the question.
0	**0**	Nothing written worthy of credit.

Understanding	Application	Analysis/evaluation
Lean production looks at inefficiency and can boost productivity and reduce costs. Lean production and being part of the groups could be a non-financial method of motivation as it could lead to greater responsibility. The reward for all staff can be a financial method of motivation.	The groups will look at job roles and make suggestions for change. It will be optional to join. Groups can be set up immediately. Bonus of £5000 to be shared among the department. Human resources and marketing departments already have an efficient work force (7.5 and 7.7) out of 8 hours.	Lean production looks at inefficiency and can boost productivity and reduce costs. Being part of the groups could be a non-financial method of motivation as it could lead to greater responsibility. Each group will have the responsibility to look at roles and tasks within the department and look for changes to improve productivity. The employees who work within the department are the people best suited to making changes. This can also help boost job satisfaction which can lead to higher levels of productivity. The employees who want to get involved can do as it is optional, however as the bonus will be shared then all employees will benefit. As they can be set up immediately then the changes could be made quickly and within three months the bonus could have been given out. For the small departments this is more likely to be effective as the roles will be more familiar to all staff and the financial incentive greater. In operations it is difficult to see how this will have much financial incentive as 15 employees will share the £5000. However, with the lowest staff productivity even a minor change suggested by the group could improve this and reduce the two hours wasted each day.
Assistant manager roles may motivate employees as they will have higher pay and more senior roles in the business. Motivated employees normally work harder and do the job more efficiently. It provides opportunities for progression within the business and can help employee retention.	£5000 extra pay and more duties such as higher authority in decision making in each department and will oversee employees' training. Human resources and marketing are small departments with only five employees. The larger departments may become more efficient as an assistant manager will be delegated tasks, eg training.	Assistant manager roles may motivate employees as they will have higher pay and more senior roles in the business. Motivated employees normally work harder and do the job more efficiently. This can be both a financial and a non-financial method of motivation. As the successful applicant will gain about £5000 more in pay this could motivate them to work more productively. It can also help improve other employees' productivity as it can be seen as giving more opportunities to move up the organisation. However, its success will depend on how many employees apply for the role and if they see it as being fair and open to all. With 15 staff in the operations department and there is already a team leader in that department it may not help. Whereas in human resources a smaller number of employees will apply for the role.

What does it depend on?
Evaluation and integration

- Employee productivity is lowest in the operations department. Does she need to improve productivity for all employees in the business?
- If employees are likely to get involved with the groups.
- In the operations department a high number of employees may apply for the assistant manager job and this could mean that the time it takes will be too long to have an immediate impact on motivation and thus productivity.
- Pay could be the main issue for lower motivation and productivity and a pay-rise for all may be more effective.
- Depends if the roles in each department can be improved with the group.