



Rewarding Learning

**ADVANCED
General Certificate of Education
2019**

Professional Business Services

Assessment Unit A2 2

assessing

Leadership and Management

[APB21]

FRIDAY 31 MAY, MORNING

**MARK
SCHEME**

General Marking Instructions

Introduction

The main purpose of the mark scheme is to ensure that examinations are marked accurately, consistently and fairly. The mark scheme provides examiners with an indication of the nature and range of candidates' responses likely to be worthy of credit. It also sets out the criteria which they should apply in allocating marks to candidates' responses.

Assessment objectives

Below are the assessment objectives for **GCE Professional Business Services**.

Candidates should be able to:

- AO1** Demonstrate knowledge and understanding of terms, concepts, theories, methods and models used by professional business services firms and their client businesses.
- AO2** Apply knowledge and understanding of concepts, theories, methods and models used by professional business services firms and their client businesses.
- AO3** Investigate, analyse and evaluate concepts, theories, methods and models as used by professional business services firms and their client businesses.

Quality of candidates' responses

In marking the examination papers, examiners should be looking for a quality of response reflecting the level of maturity which may reasonably be expected of a 17- or 18-year-old which is the age at which the majority of candidates sit their GCE examinations.

Flexibility in marking

Mark schemes are not intended to be totally prescriptive. No mark scheme can cover all the responses which candidates may produce. In the event of unanticipated answers, examiners are expected to use their professional judgement to assess the validity of answers. If an answer is particularly problematic, then examiners should seek the guidance of the Supervising Examiner.

Positive marking

Examiners are encouraged to be positive in their marking, giving appropriate credit for what candidates know, understand and can do rather than penalising candidates for errors or omissions. Examiners should make use of the whole of the available mark range for any particular question and be prepared to award full marks for a response which is as good as might reasonably be expected of a 17- or 18-year-old GCE candidate.

Awarding zero marks

Marks should only be awarded for valid responses and no marks should be awarded for an answer which is completely incorrect or inappropriate.

Marking calculations

In marking answers involving calculations, examiners should apply the 'own figure rule' so that candidates are not penalised more than once for a computational error. To avoid a candidate being penalised, marks can be awarded where correct conclusions or inferences are made from their incorrect calculations.

Types of mark schemes

Mark schemes for tasks or questions which require candidates to respond in extended written form are marked on the basis of levels of response which take account of the quality of written communication. Other questions which require only short answers are marked on a point for point basis with marks awarded for each valid piece of information provided.

Levels of response

In deciding which level of response to award, examiners should look for the 'best fit' bearing in mind that weakness in one area may be compensated for by strength in another. In deciding which mark within a particular level to award to any response, examiners are expected to use their professional judgement.

The following guidance is provided to assist examiners.

- **Threshold performance:** Response which just merits inclusion in the level and should be awarded a mark at or near the bottom of the range.
- **Intermediate performance:** Response which clearly merits inclusion in the level and should be awarded a mark at or near the middle of the range.
- **High performance:** Response which fully satisfies the level description and should be awarded a mark at or near the top of the range.

Quality of written communication

Quality of written communication is taken into account in assessing candidates' responses to all tasks and questions that require them to respond in extended written form. These tasks and questions are marked on the basis of levels of response. The description for each level of response includes reference to the quality of written communication.

For conciseness, quality of written communication is distinguished within either three or four levels of response.

Where there are three levels of response, quality of written communication is distinguished as follows:

Level 1: Quality of written communication is basic.

Level 2: Quality of written communication is good.

Level 3: Quality of written communication is excellent.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below:

Level 1 (Basic): The candidate makes only a limited selection and use of an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

Level 2 (Good): The candidate makes a reasonable selection and use of an appropriate form and style of writing. Relevant material is organised with some clarity and coherence. There is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are sufficiently competent to make meaning clear.

Level 3 (Excellent): The candidate successfully selects and uses the most appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence. There is widespread and accurate use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a sufficiently high standard to make meaning clear.

Where there are four levels of response, quality of written communication is distinguished as follows:

Level 1: Quality of written communication is basic.

Level 2: Quality of written communication is satisfactory.

Level 3: Quality of written communication is good.

Level 4: Quality of written communication is excellent.

In interpreting these level descriptions, examiners should refer to the more detailed guidance provided below.

Level 1 (Basic): The candidate makes only a basic selection and use of an appropriate form and style of writing. The organisation of material may lack clarity and coherence. There is little use of specialist vocabulary. Presentation, spelling, punctuation and grammar may be such that intended meaning is not clear.

Level 2 (Satisfactory): The candidate makes a satisfactory selection and use of an appropriate form and style of writing. Relevant material is organised with some degree of clarity and coherence. There is some use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a satisfactory standard to make meaning evident.

Level 3 (Good): The candidate makes a good selection and use of an appropriate form and style of writing. Relevant material is organised with good clarity and coherence. There is good use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of a good standard to make meaning clear.

Level 4 (Excellent): The candidate successfully selects and used the most appropriate form and style of writing. Relevant material is organised with a high degree of clarity and coherence. There is widespread and accurate use of appropriate specialist vocabulary. Presentation, spelling, punctuation and grammar are of the highest standard to make meaning absolutely clear.

1 (a) **AO1, AO2** Responses may include:

Advantages of a manager using a democratic leadership style may include:

- ensures regular communication with employees
- keeps employees informed about work related matters
- involves employees in the decision-making process
- encourages employees to put forward their solutions to work matters
- helps to develop the employee's skills and confidence
- empowers the employee
- enhances employee buy-in to changes in work
- supports a team oriented approach through increased interactions between the leader and the employee(s)
- nurtures a creative environment by encouraging innovation and input among team members.

Disadvantages of a manager using a democratic leadership style may include:

- leader loses a degree of power as more responsibility is given to the employee(s)
- employees may not be capable or trained to undertake greater responsibility
- takes longer to make decisions as the number of consultations between the leader and the employee(s) rises
- uses more of the leader's time in relation to consulting employees
- being democratic may make the leader look indecisive with their employee(s).

All valid responses will be given credit

[1] state an advantage of the democratic style of leadership

[2] explain an advantage of the democratic style of leadership

(2 × [2])

[1] state a disadvantage of the democratic style of leadership

[2] explain a disadvantage of the democratic style of leadership

(2 × [2])

[8]

(b) **AO1, AO2** Responses may include:

Transformational leadership

- Transformational leaders are typically charismatic and inspirational individuals. They create a shared vision to obtain buy-in, inspire and motivate employees to achieve organisational goals, for example by coaching and mentoring, and by giving opportunities for employees to be innovative and creative. Transformational leaders persuade employees to extend their goals and perform beyond expectations.

Transactional leadership

- Transactional leaders use psychological rewards (for example, positive feedback and praise) or tangible rewards (for example, financial incentives, promotion and time off) to motivate employees and achieve organisational goals. Transactional leaders will establish systems and structures to set targets and monitor employee performance.

All valid responses will be given credit

[2] Basic description of the difference between transformational transactional theories of leadership.

[4] Satisfactory description of the difference between transformational and transactional theories of leadership.

[6] Good description of the difference between transformational and transactional theories of leadership
 [8] Excellent description of the difference between transformational and transactional theories of leadership
 (1 × [8])

[8]

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2 AO1, AO2 Responses should include:

Strategy, may include:

- analysis of external and internal environment
- sets the direction of/for the business
- states the mission and values
- sets aims and objectives
- implementation plans developed
- monitoring and review processes in place

Structure, may include:

- establishes where the decision-making powers and authority are
- determines how staff will be organised
- determines the roles and responsibilities of staff/teams
- establishes the location of different functions such as the Head Office

People, may include:

- establishing learning and development systems
- implementing reward and remuneration mechanisms
- establish procedures to deal with employee relations

Process, may include:

- enables information to flow around the business
- maps out the stages of work activities
- states the resources needed at each stage of a work activity
- clarifies the expected output from a work activity

Rewards, may include:

- rewards and reward systems affect the motivation of employees and the achievement of business goals
- communication – employees within the business will need to be informed in relation to the new rewards and reward systems
- consultation – employees will need to be consulted to ensure that any changes are implemented with minimum disruption

All valid responses will be given credit

[1] identification of the element

[2] identification and explanation of the element

(5 × [2])

[10]

10

3 AO1, AO2, AO3 Responses should include a description of each element of the model:

- task
- team maintenance
- individual needs

The task element of the model considers areas such as:

- what the task is
- how to complete the task
- when to complete the task
- how long the task will take to complete

The team maintenance element of the model considers areas such as:

- rewards and remuneration
- learning and development programmes
- team roles and composition of the team

The individual needs element of the model considers areas such as:

- treatment of individual employees
- individual training needs
- individual rewards and remuneration

Explanation of the three issues within Jumpin Doughnuts Ltd in relation to each element of the model may include:

Task – the task element could be improved if:

- there is increased consultation with employees which will improve motivation
- consultation could also focus on the deadlines set for completing tasks which could lead to more realistic and achievable deadlines being set

Team maintenance – motivation within the team could also be improved with greater consultation. This could give opportunities for employees to suggest ways of working or more opportunities for team working.

Individual needs – greater consultation with employees might identify problems with the lack of individual motivation, which will have a knock-on effect on team morale and organisational efficiency.

If Jumpin Doughnuts Ltd takes cognisance of all these factors, it may mean that they recognise the need to change leadership style.

As Adair notes, there is ‘no right style’ of leader. The style of leadership is dependent on the situation facing the leader and their level of knowledge and experience. Clearly an autocratic style of leadership may be appropriate, on occasions, in terms of solving a problem and completing a task quickly. However, a democratic style of leader empowers and develops employees, enhances communication between the leader and employees and among employees. This style also: fosters trust; facilitates the development of employees; creates new ways of working (innovation); makes employees open to change; helps the business to adapt to change. Perhaps Jumpin Doughnuts Ltd. should give consideration to also using a democratic style of management when the situation is suitable.

All valid responses will be given credit

[0] is awarded for a response not worthy of credit

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Level 1 ([1]–[3]) Basic

- Basic knowledge and understanding of the Adair Action Centred Leadership Model.
- Basic or no relevant application of the Adair Action Centred Leadership Model to Jumpin Doughnuts Ltd.
- Explanation is basic
- The quality of the candidate’s written communication is basic.

Level 2 ([4]–[6]) Good

- Good knowledge and understanding of the Adair Action Centred Leadership Model.
- Good application of the Adair Action Centred Leadership Model to Jumpin Doughnuts Ltd.
- Explanation is good
- The quality of the candidate’s written communication is good.

Level 3 ([7]–[9]) Excellent

- Excellent knowledge and understanding of the Adair Action Centred Leadership Model.
- Excellent application of the Adair Action Centred Leadership Model to Jumpin Doughnuts Ltd.
- Explanation is excellent
- The quality of the candidate’s written communication is excellent. [9]

**AVAILABLE
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4 AO1, AO2 Responses may include:

Fayol's five functions of management consist of planning, organising, co-ordinating, commanding, and controlling.

Planning

Planning deals with future activities and notes the scope and amount of resources devoted to activities. Strategic planning is the responsibility of the chief executive officer and their team. This planning will ensure that adequate resources are put in place to facilitate the effective and efficient delivery of business activities. Resources will include human, financial, physical and time.

Organising

Organising sets out the organisational structure, lines of authority and who is responsible for whom. This may involve recruitment and selection of new staff, redundancies for existing staff and or changes to current staff roles and responsibilities. The reward and remuneration system for staff at each level in the new structure will also need to be agreed.

Coordinating

Coordinating entails the timing and order of activities to execute the plan. The activities include:

- timescales;
- deadlines;
- project plan; and
- tasks to be completed.

Commanding

Refers to putting the plan into effect through various forms of communication.

- Communication with key stakeholders must be timely and clear to ensure all are well-informed and therefore able to deal effectively with any aspects relating to the plan.
- Negotiation will be required with key personnel for example employees may need to be relocated.

Controlling

Processes need to be put in place to allow for the monitoring of performance.

This may include:

MIS – Management Information Systems

Performance targets

Performance management process, e.g. performance reviews.

All valid responses will be given credit

[0] is awarded for a response not worthy of credit

Level 1 ([1]–[5]) Basic

- Basic knowledge and understanding of Fayol's five functions of management.
- Basic or no relevant application of Fayol's functions of management.
- The quality of the candidate's written communication is basic.

Level 2 ([6]–[10]) Good

- Good knowledge and understanding of Fayol's five functions of management.
- Good application of Fayol's functions of management.
- The quality of the candidate's written communication is good.

Level 3 ([11]–[15]) Excellent

- Excellent knowledge and understanding of Fayol’s five functions of management.
- Excellent application of Fayol’s five functions of management.
- The quality of the candidate’s written communication is excellent.

[15]

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5 AO1, AO2, AO3 Responses may include:

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A brief description of Belbin's Model and a review of the Belbin nine team roles model for developing effective teams.

The Belbin nine team roles model

The Belbin nine team roles model is a well-established method for forming groups in the workplace, primarily for management teams. To create a Team Roles Profile, each employee is asked first to complete a Self-Perception Inventory and then to collect Observer Assessments from others. Observer Assessments are Belbin's method for obtaining 360-degree feedback – these observations, combined with an employee's self perception, will provide the employee with a comprehensive report detailing and ranking their Team Role preferences, strengths and weaknesses, that is, how they typically interact and contribute in teamwork situations and how this might affect the organisation.

Belbin's stated team roles include:

Plant – ideas generator, creative thinking, can ignore the big picture,

Resource investigator – outward looking, focused on opportunities and contacts.

Co-ordinator – sees the big picture, good team leader, controls and organises, motivator.

Shaper – focuses on individual tasks, pursues goals.

Monitor Evaluator – objective observer, takes a broad view, sees opportunities, analyses ideas and suggestions.

Team worker – sociable, the 'glue' that holds a team together, diplomatic.

Implementer – self-disciplined and reliable, takes action.

Completer finisher – perfectionist, a high attention to detail, has high standards, can be reluctant to delegate.

Specialist – the 'font of all knowledge', the expert.

Advantages of the Belbin model for developing effective teams may include:

- Synergy – The effectiveness of team roles that an employee can play within a team are identified and ranked through the combination of the Belbin self-evaluation questionnaire and 360° observation report. This ranking enables managers to decide which profile people should be selected to be a member of a team and the role that they should play within the team. The combination of the team members and the roles they play should enhance the performance of the team.
- Recruitment and Selection – The model can be used to help identify the ideal team member in the recruitment and selection process. For example, the Belbin model can be employed in assessment centres to assess applicants team role behaviours. The most desired team role behaviour identified in the person specification can be matched against those revealed during the assessment process. This helps the organisation to select and appoint the best applicant in order to create the most efficient team.
- Identification of employee strengths and weaknesses – The model allows the employee to understand how they could be effectively employed within a team by utilising their strongest team roles. The employee may also want to address the team roles where they are weaker through learning and development activities affords the employee the opportunity to enhance their overall work and team competence portfolio which extends their versatility to undertake a wider range of team roles in the future.
- Employee learning and development – A manager can ascertain the strengths and weaknesses of an employee which gives them the opportunity to address the employee's weaknesses and build their strengths. A manager could provide learning and development programmes that remedy an

employee's team role weaknesses and enhance their strengths. Employees who successfully complete these learning and development programmes would have a greater range of team role capabilities and subsequently give the manager more scope and flexibility in deploying employees to teams in the future.

- **Objectivity** – An external objective perspective of an employee's behaviours are observed and their team roles are identified through the Belbin model. The application of an external model reduces the bias that may occur from preconceived views that a manager may have developed about an employee if they were undertaking a standalone assessment of an employee.
- **Legal Protection** – The potential for discrimination cases being taken against the business by an employee may be reduced as externally validated objective assessments in the form of the Belbin model are being used. This applied model reduces the likelihood that a manager's negative view of an employee would influence their assessment of an employee.
- **Reduced Conflict** – The applied model helps to reduce conflict between the manager and the team and conflict among team members. The team role assessments provide evidence to managers and employee's team role capability. This knowledge informs the discussion as to the team role(s) most suited to an employee within a team and may result in an employee being more accepting and committed to their designed team role. As employees within the team are aware of their role(s) and that of their team members they will focus on their role and supporting the role of other team members rather than spending time arguing over who is best suited to a particular role.
- **Common Language** – Provides a common language for individuals and teams to communicate and work with each other, meaning that individuals understand their role within the team, the role of others and the associated contributions.
- **Consistency** – Using the Belbin model provides a clearly defined structure to follow in the allocation of roles. This ensures a consistent approach to team development and the creation of a team covering all nine roles.

Disadvantages of the Belbin model for developing effective teams may include:

- **Narrowly defined role** – As a result of using this model some employees may be required to perform the same team role(s) on a regular basis. This might impact on their job satisfaction. If an employee is constantly undertaking the same roles then they may become frustrated and demotivated. This in turn may cause the employee to under perform or be disruptive.
- **Narrow forms** – The employee may have the required team role behaviour but not the technical skills and abilities to do the job. The Belbin model only considers behaviours and not the competencies required to complete the task.
- **Increased costs** – The organisation will have to pay a licence fee if it wishes to use the Belbin model. Additionally, assessment costs will be incurred through administration of the Belbin model, for example, a member of staff may need to be trained in the use of the Belbin model or external consultants employed to undertake the assessments.
- **Time consuming** – The length of time taken to administer and analyse the employee assessments is likely to delay the creation of an effective team.
- **Role weaknesses** – Belbin identified weaknesses that might be attributed to team roles. This could hinder effective team development. These team role weaknesses are:

Plant – *doesn't communicate well, pre-occupied*
 Resource Investigator – *loses interest once initial enthusiasm has passed*
 Co-ordinator – *offloads work, manipulative*
 Shaper – *offends people's feelings, tendency to aggravate*
 Monitor Evaluator – *lacks drive and doesn't inspire others, overly critical*
 Teamworker – *indecisive and easily influenced*
 Implementer – *inflexible, doesn't like change*
 Completer Finisher – *worries, doesn't like to delegate*
 Specialist – *narrow focus, dwells on technicalities*

- Inflexibility – There is the potential that if employees are cast in a certain team role then this will lead to inflexibility or unwillingness to contribute outside of the role. This unwillingness to change may be due to fear of others reactions. This may therefore restrict the capability of the team to work effectively.
- Team dynamics – People can behave differently due to changing team dynamics, in a different team or if the team changes.
- Increased conflict – Conflict may occur in relation to who is undertaking the assessments. Employees may argue that the 360° observations should be undertaken by a consultant as they are perceived as being objective. Alternatively, employees may argue that 360° observations should be undertaken by a manager as this person is most knowledgeable about the work an employee is required to do.

Judgement

Belbin's team role model helps managers and employees to appreciate and understand the contribution that the model can bring to the team and organisation environment. The model contributes to an understanding of the dynamics of effective team working, to team building and the recruitment of team members, to team training and its transferability to the workplace. If teams are to be formed using team role profiles, then a better understanding is needed regarding: the impact of the interaction of these roles with the business environment: the task: and experience and skills of team members. Clearly the Belbin model can be useful to the national retail business in terms of improving team performance. However, the model also has limitations in terms of: who should undertake the assessments: the costs involved in managing the assessments; and the weaknesses associated with roles. Ultimately the business needs to compare the costs of using Belbin's team role model to the returns derived from the teams and decide if there is an appropriate return on the investment made.

All valid responses will be given credit

[0] is awarded for a response not worthy of credit

Level 1 ([1]–[5]) Basic

- Basic knowledge and understanding of the Belbin's team roles model.
- Application is basic.
- Analysis and evaluation of the usefulness of the Belbin model is basic.
- Basic judgement made.
- The quality of the candidate's written communication is basic.

Level 2 ([6]–[10]) Satisfactory

- Satisfactory knowledge and understanding of the Belbin's team role model.
- Application is satisfactory.
- Analysis and evaluation of the usefulness of the Belbin model is satisfactory.
- Satisfactory judgement made.
- The quality of the candidate's written communication is satisfactory.

Level 3 ([11]–[15]) Good

- Good knowledge and understanding of the Belbin’s team role model.
- Application is good.
- Analysis and evaluation of the usefulness of the Belbin model is good.
- Good judgement made.
- The quality of the candidate's written communication is good.

Level 4 ([16]–[20]) Excellent

- Excellent knowledge and understanding of the Belbin’s team role model.
- Application is excellent.
- Analysis and evaluation of the usefulness of the Belbin model is excellent.
- Excellent judgement made.
- The quality of the candidate's written communication is excellent. [20]

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6 AO1, AO2, AO3 Responses may include:

Performance review enables the employer to assess how effectively and efficiently their employees have accomplished their aims and objectives and desired results and to consider possible future implications and actions.

The three parts of a performance review should include:

- setting performance standards;
- effective feedback; and
- setting objectives.

Advantages of performance review for the employer may include:

- Improved communication – Communication between the employer and the employee may be developed and enhanced through performance reviews. The employer may be able to create a forum where information can be exchanged and discussions take place between a manager (appraiser) and their employee (appraisee).
- Agree objectives – The employer can use a performance review to confirm and link the organisation's objectives with the employee's work objectives. The employer can ensure that the time and work of employees directly contributes to the needs of the organisation. The performance review process also allows the employer to adjust employee objectives should there be any changes to the organisation's strategy, plans and objectives.
- Assessing performance – The employer may be able to assess the level of performance of an employee through a performance review. The manager may discuss with the employee the quality of work the employee has completed over a set time period. The manager and the employee may discuss what went well for the employee, what obstacles were encountered in executing their duties, and what can be done to overcome the obstacles. The employee's strengths and weaknesses may be discussed and reviewed in relation to their current job and any further work.
- Identification of learning and development needs - A performance review enables the employer to identify the learning and development needs of employees and to assess the overall learning and development needs of the organisation. The employer is able to develop, cost, plan and deliver learning and development programmes that meet the learning and development needs of employees and the organisation.
- Sharing good practice – The employer may identify instances of good working practices through a performance review. Through discussions with employees and observations of employees working at their job, a manager may identify certain work practices that have a positive impact on job performance. After good working practices have been identified, the manager may use future performance reviews to encourage other employees to adopt good working practices. The employer also has an opportunity to amplify good working practices and reinforce positive behaviours and performance by providing examples/case studies of good working practices in the organisation's in-house newsletters/bulletins.
- Rewards – The performance review presents the employer with an opportunity to assess an employee's level of performance and reward them accordingly. Rewards based on performance demonstrate to employees that their work efforts are valued and also reinforce to employees that if they perform well this will result in rewards.
- Career development – The employer is able to identify which employees are eligible for promotion through performance review. Promotion of staff highlights the importance of performance within the business

and demonstrates that high levels of performances is linked to career progression. The possibility of promotion also helps to motivate staff who are focussed on career development.

- Human resource planning – The performance review enables the employer to identify talent gaps within the organisation which informs future human resource planning activities. The employer can identify talent gaps within the business and can also pinpoint where gaps may occur in the future. This means the business can develop a human resource plan and talent acquisition programme that ensures that the right talent is recruited to meet future business needs.
- Feedback on current systems and structures – The employer can ascertain how work flows, job designs and management information systems affect the performance of the employee and the organisation. The employer can receive feedback from the employee on: the quality, quantity and timing of incoming work to them; how well their job is design, workloads, goals and objectives, and key performance indicators are aligned; the effectiveness of management information systems. The employer may revise job content, work flows and management information systems to facilitate and support the future work needs of employees. This has cost implications for the employer if technology companies have to be employed to make the systems change and staff need to be trained.

Disadvantages of performance review for the employer may include:

- Resistance – The employer may have to spend time and resources convincing employees that a performance review system would have a positive impact if they accepted its introduction into the organisation. There may be a period of employee – employer conflict along with negotiations before the performance review is accepted and then implemented in the organisation.
- Costs – Costs may be incurred by the employer in relation to the design, implementation and maintenance of the performance review process. The employer may also encounter costs regarding the provision of training for the appraisers and the appraisees.
- Time consuming – The employer may find the performance review process time consuming to operate. The appraisers and the appraisees will need to spend time documenting the employee's work that has been undertaken before a performance review meeting. The duration and frequency of review meetings over one year adds to the cost regarding performance reviews.
- Goal role conflict – The employee(s) may become unhappy if the performance review goals and objectives that are set for them are at odds with the roles of their job.
- Lack of follow up – There may be conflict between the employee and the employer if the employee's expectations, as identified in the performance review, for learning and development training and/or reward are not met by the employer.
- Bias – Appraiser bias may result in some employees being treated less favourably than other employees. This can have a negative impact on the wellbeing of adversely treated employees and can result on a discrimination case being taken by the employee against the employer. The employer may incur financial costs regarding a case and suffer reputational damage.
- Unrealistic objectives – If the performance objectives are set too low or excessively high then the employees have the potential to be assessed as over performing respectively. This can have adverse financial implications for the employer as the employee may be judged as exceeding their

objectives but there may not be enough money in the rewards budget to pay employees. On the other hand if the targets are too high and cannot be met by then the employees may become demotivated.

- Limited disclosures – The employer may obtain a limited benefit from the performance review due to the conflict between development and reward. An appraisee may be reluctant to reveal any weakness as these could be deemed as affecting their performance and subsequently influence the level of their reward.

Judgement

The outcomes of the review process enable the employer to assess past performance of employees against set objectives and standards, address their weaknesses, and build on their strengths. The employer also obtains an overview of employees contribution and commitment to the business and can offer rewards that underpin high work performance. The review process can also help to communicate and reinforce the business strategy and objectives with the employee. However, the employer also needs to consider the time and costs of implementing and managing a performance review process. Furthermore, the employer needs to reflect on the negatives of a performance review process. Ultimately the usefulness of performance review to the employer will relate to the costs and disadvantages of managing the review system and whether the benefits of the performance review offer a suitable return on this investment. The employer can also take measures to mitigate the disadvantages which may help to increase the return on this investment.

All valid responses will be given credit

[0] is awarded for a response not worthy of credit

Level 1 ([1]–[5]) Basic

- Basic knowledge and understanding of the advantages and disadvantages of performance review for the employer.
- Basic evaluation of the advantages and disadvantages of performance review for the employer.
- Basic judgement made.
- The quality of the candidate's written communication is basic.

Level 2 ([6]–[10]) Satisfactory

- Satisfactory knowledge and understanding of the advantages and disadvantages of performance review for the employer.
- Satisfactory evaluation of the advantages and disadvantages of performance review for the employer.
- Satisfactory judgement made
- The quality of the candidate's written communication is satisfactory.

Level 3 ([11]–[15]) Good

- Good knowledge and understanding of the advantages and disadvantages of performance review for the employer.
- Good evaluation of the advantages and disadvantages of performance review for the employer.
- Good judgement made
- The quality of the candidate's written communication is good.

Level 4 ([16]–[20]) Excellent

- Excellent knowledge and understanding of the advantages and disadvantages of performance review for the employer.
- Excellent evaluation of the advantages and disadvantages of performance review for the employer.
- Excellent judgement made
- The quality of the candidate's written communication is excellent.

[20]

Total

**AVAILABLE
MARKS**

20

90