

CONFERENCE VERSION – 17/06/2023

CONFIDENTIAL



GCE AS MARKING SCHEME

SUMMER 2023

**AS
BUSINESS – UNIT 2
2510U20-1**

Please check on the Appointees Management Portal for the date and venue of the examiners' conference: <http://appointees.wjec.co.uk>

Please ensure that you update your Conflicts of Interest page for the academic year 2022/2023 **before** you start marking.

BLANK PAGE

GCE AS BUSINESS
UNIT 2 - BUSINESS FUNCTIONS
SUMMER 2023 MARK SCHEME

GENERAL MARKING GUIDANCE

Positive Marking

It should be remembered that learners are writing under examination conditions and credit should be given for what the learner writes, rather than adopting the approach of penalising him/her for any omissions. It should be possible for a very good response to achieve full marks and a very poor one to achieve zero marks. Marks should not be deducted for a less than perfect answer if it satisfies the criteria of the mark scheme, nor should marks be added as a consolation where they are not merited.

For each question there is a list of indicative content which suggest the range of business concepts, theory, issues and arguments which might be included in learners' answers. This is not intended to be exhaustive and learners do not have to include all the indicative content to reach the highest level of the mark scheme.

The level-based mark schemes sub-divide the total mark to allocate to individual assessment objectives. These are shown in bands in the mark scheme. For each assessment objective a descriptor will indicate the different skills and qualities at the appropriate level. Learner's responses to questions are assessed against the relevant individual assessment objectives and they may achieve different bands within a single question. A mark will be awarded for each assessment objective targeted in the question and then totalled to give an overall mark for the question.

1	1	With reference to Costa Coffee, outline what is meant by multi-channel distribution.	[2]
<p>AO1 - 1 mark AO2 - 1 mark</p> <p>Award 1 mark for correct definition Award 1 mark for application to Costa Coffee</p> <p>Indicative content:</p> <p>Multi-channel distribution means that a business uses a combination of distribution channels</p> <p>Costa Coffee has set up 2 467 of its own restaurants in the UK as well as 1 417 outlets overseas. In addition, Costa Coffee has over 6 000 Costa Express vending facilities in a large number of outlets e.g. hotels, service station, airports and grocery stores.</p> <p>Accept any other valid response.</p>			

1	2	Outline the importance to Costa Coffee of having a global brand.		[4]
Band		AO1 2 marks	AO2 2 marks	
2		2 marks Good understanding of the importance of global branding	2 marks Good application to Costa Coffee	
1		1 mark Limited understanding of the importance of global branding Brief understanding demonstrated	1 mark Limited application to Costa Coffee Superficial or generic discussion	
0		0 marks No understanding of the importance of global branding	0 marks No application to Costa Coffee	

Indicative content:

- The development of global brands has been one of the most important changes in how products are marketed across the world. Brands that cross international borders are like gold dust to companies. They are recognised across the world, leading to increased brand loyalty.
- Costa Coffee have been able to make their products appealing to consumers in 33 different countries and can therefore benefit from significant marketing and production economies of scale.
- Along with setting up 2 467 of its own restaurants in the UK, Costa Coffee has been able to reach millions of potential consumers around the world with their 1 417 outlets overseas. Costa Coffee is able to utilise a marketing strategy that differs very little from one country to another. This allows Costa Coffee to drive down costs and increase profits.

Accept any other valid response.

2	1	Define job analysis, job description and person specification.	[3]
<p>AO1 - 3 marks</p> <p>Award 1 mark for each correct definition</p> <p>Indicative content:</p> <p>Job analysis is the first stage of the recruitment process. A job analysis is the process which identifies and determines in detail the particular duties and requirements of the job, and also what the position requires in terms of aptitudes, knowledge and skills</p> <p>The job analysis allows the completion of a job description. This explains the tasks involved in the job, the job title, responsibilities attached to the job, place of work and employment conditions such as holidays and salary</p> <p>After preparing or updating a job description, a business prepares a person specification. This describes the skills, knowledge and experience needed by an individual to complete the job. It will detail education requirements, experience and skills needed, perhaps physical attributes and important aspect of personality required</p> <p>Accept any other valid response.</p>			

2	2	Explain the importance of a job description and a person specification to the recruitment process.	[2]
<p>AO3 - 2 marks</p> <p>Award 1 mark for correct explanation of importance of job description Award 1 mark for correct explanation of importance of person specification</p> <p>Indicative content:</p> <ul style="list-style-type: none"> - A job description is essential to find a right fit candidate. If a job description is not given, people who are unfit for the role would apply which makes it tougher to choose and time would get wasted - As a job description highlights the responsibilities involved, only people who feel that they fit the description would apply. This makes sorting or filtering easier and saves time for the recruiting team - The person specification enables the employer to profile the ideal person to fill the job and provides potential applicants with information about what they will need to demonstrate to show their ability to undertake the role - The person specification makes the interviewing process more refined and streamlined as job seekers are able to assess themselves before applying to understand how they may fit the criteria. This allows them to match themselves according to suitability - The business can clarify which personal traits, skills and qualifications are essential and which are desirable allowing the employer to be explicit in what they want and how the candidate matches this criteria - It means that a business tests all its candidates against the same list of priorities set out in advance. This helps remove bias, prejudice and personal interest <p>Accept any other valid response.</p>			

2	3	Explain the difference between internal and external recruitment.	[4]
Band		AO1 2 marks	AO3 2 marks
2		2 marks Good understanding of internal and external recruitment	2 marks Good explanation of the difference between internal and external recruitment
1		1 mark Limited understanding of internal and external recruitment Brief understanding demonstrated	1 mark Limited explanation of the difference between internal and external recruitment Superficial or generic discussion
0		0 marks No understanding of internal and external recruitment	0 marks No explanation of the difference between internal and external recruitment

Indicative content:

Internal recruitment involves finding someone already employed by an organisation to fill a vacancy. Internal vacancies may simply be placed on a notice board, published on an intranet or advertised in an in-house magazine

External recruitment is when the business looks to fill a vacancy from any suitable applicant outside the business. This may involve advertising the vacancy at a recruitment agency, local or national newspapers, job centre or websites. The actual method used will depend on the type of vacancy and the number of vacancies available

Internal recruitment often involves less induction training than external recruitment as the employer knows the candidate and the candidate is familiar with the business. There is usually a smaller pool of candidates than in external recruitment which means that there is more choice of skills and specialism when recruiting externally. However, the larger pool of candidates makes the recruitment process longer and more expensive.

Accept any other valid response.

2	4	'Interviews are always the most suitable method of selecting the right candidate for a job vacancy.' Discuss. [8]		
Band		AO1 2 marks	AO3 2 marks	AO4 4 marks
3				<p>4 marks</p> <p>An excellent well-reasoned evaluation of the advantages and disadvantages of methods a business may use to select the right candidate</p> <p>Evaluation includes judgements</p>
2		<p>2 marks</p> <p>Good understanding of suitable methods a business may use to select the right candidate</p>	<p>2 marks</p> <p>Good analysis of the advantages and disadvantages of methods a business may use to select the right candidate</p>	<p>3 marks</p> <p>A good evaluation of the advantages and/or disadvantages of methods a business may use to select the right candidate</p>
1		<p>1 mark</p> <p>Limited understanding of a suitable method a business may use to select the right candidate</p>	<p>1 mark</p> <p>Limited analysis of an advantage and/or disadvantage of method(s) a business may use to select the right candidate</p> <p>Superficial or generic discussion</p>	<p>1-2 marks</p> <p>Limited evaluation of the advantage(s) and/or disadvantage(s) of method(s) a business may use to select the right candidate</p> <p>Supporting comments lack depth</p>
0		<p>0 marks</p> <p>No understanding illustrated</p>	<p>0 marks</p> <p>No analysis undertaken</p>	<p>0 marks</p> <p>No evaluation undertaken</p>

Indicative content:

- **Interviews** are best carried out by a panel consisting of a specialist personnel manager, a manager from the department the person is applying to and an independent member. Interviews should be carried out in a way that is fair to all candidates and well structured. An interview allows a great deal of information to be collected from candidates which can be used to predict whether they can perform the job by comparing replies with the criteria that successful applicants should have. Some criticisms of interviews are that interviewers often decide to accept or reject a candidate within the first few minutes and then find evidence to confirm their decision
- **Telephone interviews** are a growing trend as savings can be made on costs and managers need to spend less time away from their desks. They can also prevent discrimination due to visual appearance. However, telephone interviews are not always suited to all types of interview situation and certain candidates may not interview well over the phone

- **Work trials** is a way of trying out a potential employee before offering them a job. During the trial, the potential employee will be introduced to the core tasks of the job and try to complete them effectively. Work trials have been found to be effective in predicting future job performance
- **Selection exercises** such as **psychometric tests** is a way of assessing a person's personality in a measured and structured way. This is used by employers to help them identify candidates with suitable personality traits for the job. They help employers decide whether candidates have the enthusiasm and motivation that the employer is looking for and whether they are likely to fit in with the organisation's culture and methods of working. But there is unlikely to be a standard personality profile of the 'ideal employee' to compare tests results against. The tests also rely on the individual being honest. Often, however, candidates try to pick the answer that they feel wanted
- **Selection exercises** such as **aptitude** and **ability tests** are designed to test the ability of the candidate to complete the core tasks of the job. Candidates are tested on how they would respond to a real business problem which can be a good indicator of future job performance

Accept any other valid response.

3	1	Outline what is meant by a cash flow forecast.	[2]
AO1 - 2 marks			
Award 1 mark for a cash flow forecast is a prediction			
Award 1 mark for the likely flows of cash into and out of a business			

3	2	Calculate the following values in the cash flow forecast.	[2]
AO2 - 2 marks			
(i) net cash flow for March:			
Award 1 mark for correct answer			
(1 300) or - 1 300			
(ii) closing balance for May:			
Award 1 mark for correct answer			
(4 170) or - 4 170			
Answers must be expressed as negative figures			

3	3	With reference to the data, advise the bank on whether or not they should provide the loan of £5 000 to Eimon's Ltd. [6]	
Band		AO2 4 marks	AO4 2 marks
2		3-4 marks Good application to Eimon's Ltd's cash flow forecast	2 marks Good evaluation of whether or not the bank would be likely to provide the loan of £5 000 to Eimon's Ltd Answer is likely to include judgements
1		1-2 marks Limited application to Eimon's Ltd's cash flow forecast	1 mark Limited evaluation of whether or not the bank would be likely to grant the loan of £5 000 to Eimon's Ltd Supporting comments lack depth
0		0 marks No application to Eimon's Ltd's cash flow forecast	0 marks No evaluation demonstrated

Indicative content:

Against granting the loan:

- The closing balance in April and May is in excess of the business's overdraft limit
- Negotiating such a trade credit contract suggests that Eimon's is poorly managed - first contract payment of £10 000 in June
- The data suggests that the contract has not been finalised and if it did not happen, the new storage facility will not be required
- A similar situation is likely to occur over the next six months

For granting the loan:

- The cash flow is positive in June
- Cash sales between February and May have increased by £3 000 which may be encouraging
- The bank loan repayments have been included in the forecast, indicating he will be able to repay the loan.

Accept any other valid response.

3	4	Explain the benefits and limitations to Einson's Ltd of preparing a cash flow forecast. [8]		
Band	AO1 2 marks	AO2 2 marks	AO3 4 marks	
3			4 marks Good explanation of the benefits and limitations of preparing a cash flow forecast The explanation is fully balanced, detailed and developed in context	
2	2 marks Good knowledge of the use of a cash flow forecast	2 marks Good application to Einson's Ltd	2-3 marks Good explanation of the benefit(s) and limitation(s) of preparing a cash flow forecast	
1	1 mark Limited knowledge of the use of a cash flow forecast	1 mark Limited application to Einson's Ltd	1 mark Limited explanation of the benefit(s) and/or limitation(s) of preparing a cash flow forecast Superficial or generic explanation	
0	0 marks No understanding demonstrated	0 marks No application to Einson's Ltd	0 marks No analysis undertaken	

Indicative content:

Benefits:

- An accurate cash flow forecast will allow Einson's Ltd to get a clear idea of how it is performing (although it does not provide an accurate statement of profitability) and how it is likely to perform in the future. Due to the negative cash flow from February to May, Marc may decide to negotiate different payment terms on the trade credit agreement with the decorating business as 6 months is far too long
- The forecast allows Marc to be able to specify times when the business may need additional funding, such as when cash outflow exceeds inflow. From February to May, Einson's Ltd has a negative cash flow but in April and May, the negative cash flow exceeds Einson's Ltd's overdraft limit and Marc can see that he must negotiate an increased overdraft limit
- In addition, inconsistencies in future performance can be identified and remedied. For example, Marc could decide to negotiate a trade credit agreement with their suppliers to avoid paying them on a monthly basis or Marc could spread the bank loan repayments over a longer period to rectify a negative cash flow. Marc could also decide to sell shares to provide a cash injection
- Also, when there is predicted to be a large positive cash flow, such as in June, Marc can plan ahead on how to use this money – perhaps by investing or paying off debts. However, due to the poorly negotiated trade credit agreement, this cash flow will be required as the next payment is not due until December

Limitations:

- Drawing up cash flow forecasts takes up Marc's time that might be more productively used to devise further strategies to compete with B&Q or completing other tasks in the business
- Cash flow forecasts need to be accurate to have value: this may be especially difficult when market conditions are changing with the entrance of a market leading competitor to the local market
- The longer the timescale, the less accurate the forecast is likely to be
- External factors could impact the accuracy of figures e.g. inflation, cost of living crisis
- Cash flow forecasts need to be monitored to have ongoing usefulness

Accept any other valid response.

4	1	Explain how the Boston matrix can be used by The Waffle House to manage its product portfolio. [8]		
Band		AO1 3 marks	AO2 2 marks	AO3 3 marks
3		3 marks Excellent knowledge of the Boston matrix		3 marks Excellent explanation of how the Boston matrix can be used to manage their product portfolio
2		2 marks Good knowledge of the Boston matrix	2 marks Good application to The Waffle House	2 marks Good explanation of how the Boston matrix can be used to manage their product portfolio
1		1 mark Limited knowledge of the Boston matrix	1 mark Limited application to The Waffle House	1 mark Limited explanation of how the Boston matrix can be used to manage their product portfolio
0		0 marks No knowledge demonstrated	0 marks No reference to The Waffle House	0 marks No explanation undertaken

Indicative content:

The Boston Matrix shows the market share of each of The Waffle House's products and the rate of growth of the markets in which they operate.

- By highlighting the position of each product in terms of market share and market growth, The Waffle House can analyse its existing situation and decide what to do next.
- **Cash cows** – The Waffle House's original product, the Butter Toffee Waffle, which are sold through stalls at markets and fairs throughout Wales could be regarded as their cash cow. High sales of the Butter Toffee Waffle generate cash which may be used to help support new products being launched in new or existing market segments such as the new flavours of waffles or the crackers. Less money is likely to be used by The Waffle House on supporting cash cows as the Butter Toffee Waffles are already an established product
- **Problem Child** – could well provide a lot of revenue in the future but probably the most difficult to manage. The market is growing and therefore achieving a higher market share would be the objective. Relatively high levels of investment are needed to keep the products going with re-launches. The Waffle House have developed new flavours of the waffles such as apple cider and berry syrup waffles which require heavy investment in the form of promotion. If the flavours are not popular, The Waffle House may decide to abandon the product
- **Star** – The Waffle House's crackers are products which are doing well in a growing market. They may need protection from competitors and money from the cash cows can help to fund heavy promotion of various new flavours of the crackers such as salt and pepper and cheese crackers
- **Dogs** – hold little appeal unless they can be revived. Will probably be withdrawn from the market or may be given one last chance. Dogs may be sold onto other companies and removed from the portfolio of The Waffle House

Accept any other valid response.

4	2	Outline what is meant by workforce performance.	[1]
<p>AO1 - 1 mark</p> <p>Award 1 mark for correct definition</p> <p>Indicative content</p> <p>Workforce performance happens when a business measures the effectiveness of its workforce.</p>			

4	3	Calculate labour productivity for The Waffle House when operating at full capacity.	[2]
<p>AO1 - 1 mark AO2 - 1 mark</p> $\text{Labour productivity} = \frac{\text{Output (per period)}}{\text{Number of employees (per period)}} \quad [1]$ $\text{Labour productivity} = \frac{3\,500}{14} = 250 \text{ waffles per hour} \quad [1]$ <p>Waffles per hour required for 2 marks</p>			

4	4	Calculate the current capacity utilisation for The Waffle House.	[2]
<p>AO1 - 1 mark AO2 - 1 mark</p> $\text{Capacity utilisation} = \frac{\text{Current output (per period)}}{\text{Maximum output (per period)}} \times 100 \quad [1]$ $\text{Capacity utilisation} = \frac{2\,800}{3\,500} = 80\% \quad [1]$ <p>% required for 2 marks</p>			

4	5	Consider the view that producing at 100% capacity utilisation would be beneficial to The Waffle House.			[8]
Band	AO2 2 marks	AO3 2 marks	AO4 4 marks		
3			4 marks An excellent well-reasoned evaluation of the benefits and problems associated with operating at 100% capacity utilisation Evaluation may include judgements		
2	2 marks Good application to The Waffle House	2 marks Good analysis of the benefits and problems associated with operating at 100% capacity utilisation	3 marks A good evaluation of the benefits and problems associated with operating at 100% capacity utilisation		
1	1 mark Limited application to The Waffle House Superficial or generic discussion	1 mark Limited analysis of the benefits and/or problems associated with operating at 100% capacity utilisation Superficial or generic analysis	1-2 marks Limited evaluation of the benefits and/or problems associated with operating at 100% capacity utilisation Supporting comments lack depth		
0	0 marks No application to The Waffle House	0 marks No analysis undertaken	0 marks No evaluation undertaken		

Indicative content:

Full capacity means that all employed factors of production are being used to their optimum level of efficiency – producing the maximum level of output, given the business’s current investment levels. The Waffle House’s capacity utilisation is 80% which is below the ideal figure of 90%.

Benefits of operating at 100% capacity utilisation:

- Increased economies of scale: if The Waffle House increased capacity utilisation from 80%, it would benefit from purchasing economies of scale as they would purchase stock in bulk and benefit from discounts
- Increased competitiveness
- Spreading of fixed costs over higher output
- Lower unit costs
- Performance bonuses to workers - motivation

Problems of operating at 100% capacity utilisation:

- Lack of flexibility
- Possible fall in quality
- More breakdowns/machine failures
- Pressure on staff

Accept any other valid response.

5	1	Consider whether The Timpson Group adopts a McGregor's Theory X or Theory Y approach to management. [6]		
Band		AO2 2 marks	AO3 2 marks	AO4 2 marks
2		2 marks Good application to The Timpson Group's approach to management	2 marks Good explanation of McGregor's Theory X and Theory Y approach to management The answer may focus on Theory Y only Developed explanation	2 marks Good judgement on whether The Timpson Group adopts a McGregor's Theory X or Theory Y approach to management Well-reasoned supporting comments
1		1 mark Limited application to The Timpson Group's approach to management	1 mark Limited explanation of McGregor's Theory X and Theory Y approach to management The answer could focus on Theory X or Theory Y Superficial explanation	1 mark Limited judgement on whether The Timpson Group adopts a McGregor's Theory X or Theory Y approach to management Supporting comments lack depth
0		0 marks No application to the Timpson Group	0 marks No explanation undertaken	0 marks No evaluation or judgements demonstrated

Indicative content:

McGregor's Theory X management style is founded upon the assumptions that employees:

- have little ambition
- must be supervised
- do not want to be involved in the decision-making process
- only respect managers who tell them what to do with authority
- are only motivated by money

McGregor's Theory Y management style is founded upon the assumptions that employees:

- are ambitious, willing to train and contribute to improve their chances of promotion
- cannot be motivated by money alone and seek more than financial satisfaction from their jobs
- will be more efficient if they are left to their own devices – trust breeds responsibility
- want to contribute to improving efficiency – they want to be seen, be noticed, rewarded and appreciated when they work well

The Timpson Group ethos is to provide great customer service by giving freedom to the employees that serve customers. As The Timpson Group believe that the best way to give great customer service is to give freedom to the employees that serve customers which involves management teams delegating authority but retaining responsibility. This means that The Timpson Group adopts a McGregor's Theory Y approach to management.

Accept any other valid response.

5	2	With reference to motivation theories, consider the view that non-financial methods of motivation are more effective than financial methods of motivation. [12]		
Band		AO1 2 marks	AO3 4 marks	AO4 6 marks
3			4 marks Excellent analysis of the benefits and problems associated with financial and non-financial methods of motivation with clear reference to motivation theories	5-6 marks An excellent well-reasoned evaluation of the benefits and problems associated with financial and non-financial methods of motivation Evaluation includes judgements
2		2 marks Good understanding of both financial and non-financial methods of motivation	3 marks Good analysis of the benefits and problems associated with financial and/or non-financial methods of motivation with reference to motivation theories	3-4 marks A good evaluation of the benefits and problems associated with financial and/or non-financial methods of motivation.
1		1 mark Limited understanding of financial and/or non-financial methods of motivation	1-2 marks Limited analysis of the benefits and/or problems associated with financial and/or non-financial methods of motivation. There may be limited reference to motivation theories	1-2 marks Limited evaluation of the benefits and/or problems associated with financial and/or non-financial methods of motivation. Supporting comments lack depth
0		0 marks No understanding of methods of motivation	0 marks No analysis undertaken	0 marks No evaluation undertaken

Indicative content:

Financial methods directly involve monetary rewards e.g. bonuses, pay increases, improved pensions etc.

Non-financial methods, though perhaps indirectly bringing monetary rewards, are targeted at providing psychological benefits for workers.

Financial methods: Taylor's ideas of scientific management-based motivation on financial rewards

- **Piece rates:** when a piece rate is paid, workers are paid for each item they produce or for each task completed. This does have advantages in that workers will work as fast as they can to maximise their income and payment is only made when work is completed. However, there are disadvantages for both employer and employee. For the employer there must be a great deal of supervision and checking of quality as workers are motivated to achieve speed of output, not quality of output. From the employees point of view, there is no guarantee of income and production may be halted by matters beyond the workers' control
- **Bonus schemes:** there are a wide variety of bonus schemes available, each designed to be suitable for different employees doing different jobs. These schemes include sales bonus which this is normally paid if a sales target has been reached; performance bonus which can be paid to an individual or on a group or factory-wide basis; Christmas bonus which is paid for loyalty to the business. Bonuses are often paid for reaching targets of output and quality which therefore encourages employees to increase productivity
- **Profit-related pay** links part of an employee's income to the profits of a company. Those who receive profit-related pay will have a lower salary than they might otherwise expect but will benefit overall by receiving a share of company profits. However, in the main, they are only applied to senior management; although some businesses, such as Asda and the John Lewis Partnership, have schemes which allow all employees to share in company profits
- **Fringe benefits:** Other forms of financial motivation include company cars, pension schemes, sickness benefits, subsidised meals and travel and staff discounts. Some of these fringe benefits can be regarded as essential in encouraging the right applicants for certain types of vacancies. For example, a company car is a necessity for anyone working in sales in the financial service business. Senior management in many companies would expect both an upmarket car and private health care

The use of non-financial methods of motivation demonstrates attempts by employers to apply the ideas behind the theories of Mayo, Maslow and Herzberg. Examination of these theories has shown that motivation to achieve quality of output is best achieved through satisfaction of higher needs (Maslow), awareness of the role of groups in the workplace (Mayo) and the need to provide motivators (Herzberg).

- **Job enrichment:** This means giving workers more control over the tasks that they complete, and allowing workers to complete tasks that have a meaning and are complete in themselves. The ability to do this range of tasks means that the worker becomes more committed to achieving quality. Effective job enrichment depends on workers having interesting tasks to complete. Job design is a key part of Herzberg's ideas
- **Job enlargement:** Increasing the number of tasks completed by a worker. This adds interest to the job and involves the employee in a more complete role within the business
- **Job rotation:** Changing workers' tasks which are completed at regular intervals. This can be as simple as switching places on a production line. The variety adds interest to the job and reduces the number of errors that can arise through boredom

- **Job design:** Jobs should include complete tasks that are of interest to the worker and challenging, which allow decision-making
- **Communication:** Communication is a key part of motivation and can take place in a number of ways, e.g. quality circles, works councils, cell working
- **Empowerment:** This means giving workers the power to control their own jobs, make decisions and implement their own ideas. It is often used in an artificial way; for example, allowing counter workers in burger bars to decide the greeting they use when they meet customers
- **Quality circles:** These are groups of workers that meet on a regular basis to discuss problems in the manufacturing or service-provision process and offer solutions. They may involve groups of workers from the same department or come from a variety of disciplines. It is important that for quality circles to have value, the members have the ability and the authority to implement changes suggested.
- **Training:** The provision of a formal training scheme is important. As Herzberg stated, without training, workers will not be able to fulfil their potential. Training can be on-the-job, learning by doing; or off-the-job, such as studying for NVQs at a local college. On-the-job training has costs such as management or supervisor time spent training. Off-the-job training means lost production and disruption. Also the newly-qualified workers may seek to use their qualifications to seek better employment elsewhere.
- **Flexible working:** Allowing workers to have elements of their schedule which are under their control. For example, the opportunity to work from home or have core hours and flexitime options around these.
- **The single status workplace:** When all artificial barriers separating workers have been removed, then the single status workplace can be said to exist. For example, all employees wear the same basic clothes, use the same dining facilities, and have access to the same pension schemes and leisure facilities. This is strongly linked to the higher levels of Maslow.

Problems with implementing non-financial methods of motivation:

- **Existence of Theory X managers:** These managers will see no value in using expensive methods of motivation when workers have no commitment to the business or quality of the product.
- **Cost:** All these methods are expensive in terms of management time, systems implementation and training. To effectively use these methods there is a high level of cost. Managers must balance cost against increased output and quality.
- **External factors:** Once workers are used to having their jobs enriched or enlarged, it may be difficult to re-motivate them when financial circumstances, caused by recession or competitors' actions, force cost-cutting on a business. Unavoidable redundancies can have a negative effect on those workers that remain as they may feel less secure in their jobs.
- **The structure of the workforce:** If a large part of the workforce is not core to producing the added value of the business, there is probably no need to apply many of the methods given above. In the retail, hospitality and tourist industries many workers stay for only a short period of time, so motivating these workers would be very difficult.

Accept any other valid response.