Oxford Cambridge and RSA

GCE

New Business

H431/02: The UK business environment

A Level

Mark Scheme for June 2023

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This mark scheme is published as an aid to teachers and students, to indicate the requirements of the examination. It shows the basis on which marks were awarded by examiners. It does not indicate the details of the discussions which took place at an examiners' meeting before marking commenced.

All examiners are instructed that alternative correct answers and unexpected approaches in candidates' scripts must be given marks that fairly reflect the relevant knowledge and skills demonstrated.

Mark schemes should be read in conjunction with the published question papers and the report on the examination.

MARKING INSTRUCTIONS

PREPARATION FOR MARKING
RM ASSESSOR

1. Make sure that you have accessed and completed the relevant training packages for on-screen marking: *RM Assessor Assessor Online Training*; *OCR Essential Guide to Marking*.

2. Make sure that you have read and understood the mark scheme and the question paper for this unit. These are posted on the RM Cambridge Assessment Support Portal http://www.rm.com/support/ca

3. Log-in to RM Assessor and mark the **required number** of practice responses ("scripts") and the **number of required** standardisation responses.

   YOU MUST MARK 6 PRACTICE AND 10 STANDARDISATION RESPONSES BEFORE YOU CAN BE APPROVED TO MARK LIVE SCRIPTS.

MARKING

1. Mark strictly to the mark scheme.

2. Marks awarded must relate directly to the marking criteria.

3. The schedule of dates is very important. It is essential that you meet the RM Assessor 50% and 100% (traditional 40% Batch 1 and 100% Batch 2) deadlines. If you experience problems, you must contact your Team Leader (Supervisor) without delay.

4. If you are in any doubt about applying the mark scheme, consult your Team Leader by telephone or the RM Assessor messaging system, or by email.

5. **Crossed Out Responses**
   Where a candidate has crossed out a response and provided a clear alternative then the crossed out response is not marked. Where no alternative response has been provided, examiners may give candidates the benefit of the doubt and mark the crossed out response where legible.

   Contradictory Responses
   When a candidate provides contradictory responses, then no mark should be awarded, even if one of the answers is correct.

Short Answer Questions (requiring only a list by way of a response, usually worth only **one mark per response**)
Where candidates are required to provide a set number of short answer responses then only the set number of responses should be marked. The response space should be marked from left to right on each line and then line by line until the required number of responses have been considered. The remaining responses should not then be marked. Examiners will have to apply judgement as to whether a 'second response' on a line is a development of the 'first response', rather than a separate, discrete response. *(The underlying assumption is that the candidate is attempting to hedge their bets and therefore getting undue benefit rather than engaging with the question and giving the most relevant/correct responses.)*

Short Answer Questions (requiring a more developed response, worth **two or more marks**)
If the candidates are required to provide a description of, say, three items or factors and four items or factors are provided, then mark on a similar basis – that is downwards (as it is unlikely in this situation that a candidate will provide more than one response in each section of the response space.)

Longer Answer Questions (requiring a developed response)
Where candidates have provided two (or more) responses to a medium or high tariff question which only required a single (developed) response and not crossed out the first response, then only the first response should be marked. Examiners will need to apply professional judgement as to whether the second (or a subsequent) response is a 'new start' or simply a poorly expressed continuation of the first response.

6. Always check the pages (and additional objects if present) at the end of the response in case any answers have been continued there. If the candidate has continued an answer there, then add a tick to confirm that the work has been seen.

7. Award No Response (NR) if:
    - there is nothing written in the answer space

    Award Zero '0' if:
    - anything is written in the answer space and is not worthy of credit (this includes text and symbols).

    Team Leaders must confirm the correct use of the NR button with their markers before live marking commences and should check this when reviewing scripts.

8. The RM Assessor **comments box** is used by your team leader to explain the marking of the practice responses. Please refer to these comments when checking your practice responses. **Do not use the comments box for any other reason.**
    If you have any questions or comments for your team leader, use the phone, the RM Assessor messaging system, or e-mail.

9.   Assistant Examiners will send a brief report on the performance of candidates to their Team Leader (Supervisor) via email by the end of the marking period. The report should contain notes on particular strengths displayed as well as common errors or weaknesses. Constructive criticism of the question paper/mark scheme is also appreciated.

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

Descriptor	Award mark
On the borderline of this level and the one below	At bottom of level
Just enough achievement on balance for this level	Above bottom and either below middle or at middle of level (depending on number of marks available)
Meets the criteria but with some slight inconsistency	Above middle and either below top of level or at middle of level (depending on number of marks available)
Consistently meets the criteria for this level	At top of level

11. **Annotations**

Annotation	Meaning	Annotation	Meaning
BP	Blank page (this MUST be used rather than SEEN)	K	Knowledge
✔	Tick	APP	Application of knowledge and understanding
✘	Cross	AN	Analysis
(Highlighting tool)	Highlighting tool	DEV	Developed Analysis
NAQ	Not answered question (candidate writes irrelevant material)	EVAL	Evaluation
OFR	Own Figure Rule	EE	Effective evaluation
BOD	Benefit of Doubt (replaces tick in short answer questions)	?	Unclear
REP	Repeat (material already rewarded)	TV	Too vague/No use of context
SEEN	Noted but no credit given (use where no other annotation is appropriate)		

EVERY PAGE, INCLUDING BLANK PAGES (use the BP annotation), MUST HAVE SOME ANNOTATION

Please ensure that, wherever possible, annotations are placed in the margins and not over the candidate's answer. This makes it very difficult to read if the paper is printed out in black & white.

[Questions 1-7, & 9(b) should be annotated with ticks, crosses, BOD, REP, TV, OFR, NAQ or ?. The number of ticks plus OFR MUST match the final mark awarded for that question. Ticks MUST NOT be used in Questions 8, 9(a) & 10-13.]

IT IS VITAL THAT YOU SHOW AS MUCH ANNOTATION ON EACH PAGE AS POSSIBLE. IN PARTICULAR, WHERE AOs ARE REACHED, SO THAT YOUR TEAM LEADER CAN LOOK TO AGREE WITH YOUR FINAL MARK.

12. Subject Specific Marking Instructions

Candidates will be awarded marks for the demonstration of each skill (Knowledge and Understanding/Application/Analysis/ Evaluation) according to the level (Strong/Good/Reasonable/Limited) seen. Their overall mark for Levels of Response questions will comprise the total of these marks.

The descriptions in each level of response question in this mark scheme describe a typical response at the top of that level.

This Mark Scheme is a working document; it is not exhaustive; it does not provide 'correct' answers. The Mark Scheme can only provide 'best guesses' about how the question will work out.

The Examiners' Standardisation Meeting will ensure that the Mark Scheme covers the range of candidates' responses to the questions, and that all examiners understand and apply the Mark Scheme in the same way. The Mark Scheme will be discussed and amended at the meeting, and administrative procedures will be confirmed. Practice scripts will be issued at the meeting to exemplify aspects of candidates' responses and achievements; the practice scripts then become part of this Mark Scheme.

In your marking, you will encounter valid responses which are not covered by the Mark Scheme: these responses must be credited.

Please read carefully all the scripts in your allocation and make every effort to look positively for achievement throughout the ability range. Always be prepared to use the full range of marks.

Question	Answer	Mark	Guidance
1	**Define the term 'primary sector'.** 2 marks for a clear definition 1 mark for an answer which refers **only** to extraction <u>or</u> **raw** materials <u>or</u> **natural** resources. 1 mark for an example **only** (e.g., extraction, mining, fishing, harvesting, agriculture)	2 (AO1 2)	**Exemplar responses** The extraction (1) of natural resources (1). The extraction (1) of raw materials (1). Raw materials (1) gained from mining (1) Collects raw materials (1) to sell on to the secondary sector (1). Sources raw materials (1) to turn into the finished product (x) **ARA**
2	**State the difference between a consumer and a customer.** Two marks for an explanation of a difference between a consumer and a customer. One mark for knowledge of consumers **or** customers.	2 (AO1 2)	**Indicative content:** • A customer purchases a product (1) whereas a consumer uses the product (1) • A consumer is the end user of a product (1) whereas a customer may not be (1) • A business may be the customer of a raw material (1) but their customers will be the consumers (1) • A customer pays for a product (1) whereas the consumer uses the product (1) **ARA**
3	**Calculate the wastage rate for the business in 2022. Show your working.** 2 marks for correct answer (with or without workings) 1 mark for an answer which explicitly or implicitly shows the correct formula	2 (AO1 1) (AO2 1)	Wastage rate = Wastage/Output * 100 (1) = £12,000/£150,000 * 100 = **8%** (1) Maximum one mark for an answer with incorrect/no units or incorrect magnitude (e.g., 80%)

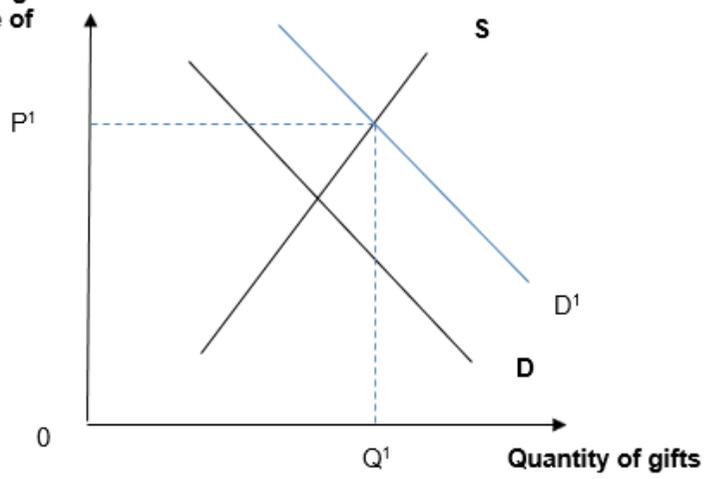| Question	Answer	Mark	Guidance
4	**Define the term 'strategic alliance'.** 2 marks for a clear definition (e.g., businesses working together but only temporarily). 1 mark for an answer which has a basic idea of the term (e.g., businesses working together). 1 mark for an example **only**	2 (AO1 2)	**Exemplar responses** A form of cooperation between companies (1) which is less permanent than a joint venture (1) Two or more firms work together (1) without creating a new company (1) Similar to a joint venture (1) An agreement such as a codeshare between airlines such as BA and Qantas (1) **ARA**
5	**Explain one advantage and one disadvantage for the managers of a business of a wide span of control.** 1 mark for each correct answer, plus a further 1 mark for each of two developmental points. **NB**: Ensure that the advantages/ disadvantages are for the manager. **NB:** No reward for an advantage of improved communication.	4 (AO1 2) (AO2 2)	Advantages include: • Higher pay (1) – as salary may be based on how many subordinates a manager has (1) • Motivated by responsibility (1) – as in charge of more people (1) • Easier to delegate (1) – more subordinates available (1) • More ideas to solve a problem (1) – as there will be more people contributing to the team (1) • Can see which employees are under-performing or what needs improving (1) – as the manager is directly in charge of so many people (1) Disadvantages include: • Harder to control subordinates (1) – as there are more of them (1) • Harder to do your own work (1) – as need to spend more time monitoring/helping subordinates (1)

Question	Answer	Mark	Guidance
			• Communication may be more difficult (1) – many people contributing and/or needing to be kept informed (1) **ARA**
6	**Explain two limitations for a business of using a decision tree.** 1 mark for each correct limitation up to a maximum of 2, plus a further 1 mark for each of two developmental points. Make sure the two limitations are clearly different. 'Time consuming' or 'may not be accurate' is **TV**.	**4** (AO1 2) (AO2 2)	Limitations include: • Only a prediction / depends on the figures used which may change due to external factors (1) – probabilities may be only guesswork (1) • Bias (1) – managers may choose probabilities to 'load' a preferred option (1) • Time period (1) – the greater the time period the more difficult it is to predict data accurately (1) • Quantitative data only (1) – does not take qualitative evidence into account (1) • Scientific (1) – may exclude the human element ('gut feeling') (1) • Too complex / lots of data to consider (1) – the decision in question may be too difficult to break down into simple probability questions (1) **ARA**

	Question	Answer	Mark	Guidance
7	(a)	**Calculate the dividend yield. Show your working.** 2 marks for correct answer (with or without workings) 1 mark for an answer which explicitly or implicitly shows the correct formula.	2 (AO1 1) (AO2 1)	Dividend yield = Dividend per share/Share price * 100 = 3p/120p * 100 = **2.5%** Maximum one mark for an answer with incorrect/no units or incorrect magnitude
7	(b)	**Calculate the price/earnings ratio. Show your working.** 2 marks for correct answer (with or without workings) 1 mark for an answer which explicitly or implicitly shows the correct formula.	2 (AO1 1) (AO2 1)	Price/earnings ratio = Share price/Earnings per share = 120p/8p or 120:8 or 1.2:0.08 =**15** [Accept answers of 15:1 or 1500%] Maximum one mark for an answer of 15% or £15
8		**Analyse one advantage for NT of producing a budget.** **Level 2 (3–4 marks)** Candidate shows **reasonable** knowledge and understanding and shows **good** analysis of one advantage for NT of producing a budget. **Level 1 (1–2 marks)** Candidate shows **limited** knowledge and understanding of one advantage for NT of producing a budget.	4 (AO1 1) (AO2 1) (AO3 2)	Possible benefits may include: • Helps with planning / setting targets. • Helps to manage expenditure / prevent over-spending. • Can compare performance with expectations. • Helps to maintain / monitor cash-flow. • Helps when trying to raise finance. • Helps to measure the efficiency of activities. • Helps to measure productivity of staff. • Helps to provide the organisation with a strategic perspective.

	Question	Answer	Mark	Guidance
		(NB – award **one** mark for a non–contextualised advantage) **0 marks** no response or no response worthy of credit		Contextual evidence which may be used includes: • Table 1 shows that NT expenditure exceeded its income by £6.9m in 2020/21 • NT will be able to accurately forecast some of its income (annual membership fees paid by over 5 million members) • The activities which NT carry out. • Use of KPIs in Table 2 • The suppliers' code of practice with regards to NT's payment terms. **Exemplar response:** NT will be able to monitor cash-flow **(K).** The COVID pandemic led to a shortfall in NT's finances of £6.9m in 2020/21 **(APP).** As a result, NT's managers can prepare a budget to help identify reductions in expenditure or increases in income **(AN)** possibly by increasing the fee charged to members **(AN).** **ARA**

	Question	Answer	Mark	Guidance
9	(a)	**Evaluate the advantages for NT of using the AIDA marketing model when planning its advertising.** **Level 3 (7–9 marks)** Candidate shows **strong** knowledge and understanding, analysis and evaluation of the advantages of using AIDA. **Level 2 (4–6 marks)** Candidate shows **good** knowledge and understanding, analysis and evaluation of the advantages of using AIDA. **Level 1 (1–3 marks)** Candidate shows **limited** knowledge and understanding of AIDA with **limited or no** analysis and evaluation of their advantages for NT. (**NB** – award **maximum** of **two** marks for a non–contextualised response). **0 marks** no response or no response worthy of credit.	**9** (AO1 2) (AO2 2) (AO3 2) (AO4 3)	AIDA is a marketing model which can be used to judge whether an advertisement is likely to succeed: • Attention / Awareness - is the attention of the prospective customer grabbed. • Interest - is attention retained so that information about the product can be delivered. • Desire - to buy the product resulting in demand. • Action - the product must be purchased. There is the following context about NT which may be relevant: • NT uses word of mouth. It is difficult to relate AIDA to this method of promotion. • We are told that most advertising is based around the individual properties and is mainly about raising money. In this sense, what is the product? If raffle tickets are being sold, then that can be considered the 'thing' the customer is buying. The interest would be about the specific conservation project which may be difficult to explain in a format which is quick and easy to retain the customer's interest. The desire to 'buy' the product may be engrained in the people who visit NT properties and so the action may be completely unrelated to the earlier components. • Social media is being widely used by NT. Putting a video of a particular restoration project onto its YouTube channel or pictures onto its Instagram account may create a lot of easy attention (although the number of followers on social media is relatively small compared to the number of

	Question	Answer	Mark	Guidance
				members and day-to-day visitors). But social media is notoriously difficult to maintain interest in although it may be possible to have an easy link to a donation website, or other 'giving platform', so that the action can be ensured more easily. • Other fundraising, such as opted-in marketing communications and raffle ticket selling at properties, is mentioned in Extract B. It may be easier to achieve the stage of 'Desire' when a volunteer is talking to the visitor passionately about a restoration project that may be right in front of them in the property. Evaluation may come from questioning how useful AIDA is when it is not clear what the product is, or by recognising that advertising carried out on social media is far less easy to assess than when carried out in the actual property. **NB:** No reward for answers which ONLY consider the pros and cons of NT's current advertising, without any link to the AIDA model. **ARA**

	Question	Answer	Mark	Guidance
9	(b)	As a result of extra advertising, NT has seen an increase in demand from customers in the gift shops at its properties. Complete the supply and demand diagram to show how equilibrium price and quantity of gifts would be affected. 1 mark for labelling **both** original S & D schedules correctly. 1 mark for shifting the demand schedule to the right. 1 mark for indicating or stating that (equilibrium) price will increase, due to an increase in demand. 1 mark for indicating or stating that (equilibrium) quantity will increase, due to an increase in demand. Ignore any changes made to the supply schedule.	4 (AO1 2) (AO2 2)	Average price of gifts P^1 S D^1 D 0 Q^1 Quantity of gifts

Question	Answer	Mark	Guidance
10	**Evaluate the importance for NT's success of setting aims and objectives.** **Level 3 (7–9 marks)** Candidate shows **strong** knowledge and understanding, analysis and evaluation of the importance of setting aims/objectives to help NT to be successful. **Level 2 (4–6 marks)** Candidate shows **good** knowledge and understanding, analysis and evaluation of the importance of setting aims/objectives to help NT to be successful. **Level 1 (1–3 marks)** Candidate shows **limited** knowledge and understanding of aims/objectives with **limited or no** analysis and evaluation of the importance to achieve a success. (**NB** – award **maximum** of **two** marks for a non–contextualised response). **0 marks** no response or no response worthy of credit. Allow candidates to refer to aims/objectives/ goals interchangeably. **NB:** Discussion of SMART objectives can be relevant if considered alongside the contextual material.	**9** (AO1 2) (AO2 2) (AO3 2) (AO4 3)	A business will have aims which it tries to achieve through its objectives. Setting aims and objectives will enable a business to set out a strategy. Relevant context about NT to use may include: • NT is protecting and supporting the UK's areas of natural beauty and historic properties. This is fundamentally a service provider and quite a 'vague' business model. This may make it more important to set specific aims/objectives which it wants to achieve otherwise any strategy may be rather unwieldy. [This could be justified by considering the wide-ranging issues covered in Extract A.] • We are told that NT has over 5 million members. Does it want to increase these membership levels (which although providing more finance could become difficult to manage) or to maintain them at their current level? What do these members want from their membership? • There are plenty of quantitative measures listed in Table 2. Deciding which of these to focus any aims or objectives on will help any strategy for success to be more specific. The fact that three out of six of these targets were not achieved in 2019/20 may suggest that the strategy is not well focussed or successful. • The KPIs have been suspended due to the pandemic. Will this make it more difficult to measure success in the coming years? • There is repeated reference to NT wanting to be ethical, fair, and transparent (e.g., its membership of the UK code of fundraising). If this was set as an aim/objective, then it will clearly dictate the strategy chosen.

15

Question	Answer	Mark	Guidance
			Evaluation may come from recognising that NT is not only in the not-for-profit sector of the economy, but it also has a large product base and unusual customer relationship. Trying to keep these competing issues happy will require very clear aims/objectives. **ARA**

Question	Answer	Mark	Guidance
11 *	**Evaluate the impact on NT's stakeholders of rapid technological change.** **Level 3 (11–15 marks)** Candidate shows **strong** knowledge and understanding, analysis and evaluation of how rapid technological change may affect NT's stakeholders. *There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated.* **Level 2 (6–10 marks)** Candidate shows **good** knowledge and understanding, analysis and evaluation of how rapid technological change may affect NT's stakeholders. *There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.* **Level 1 (1–5 marks)** Candidate shows **limited** knowledge and understanding of technological change with **limited or no** analysis and evaluation of how it may affect NT's stakeholders. *The information is basic and communicated in an unstructured way. The information is supported by limited evidence and the relationship to the evidence may not be clear.*	**15** (AO1 2) (AO2 2) (AO3 4) (AO4 7)	Context which may be used includes: • NT wants to increase accessibility to people from all backgrounds. The use of more technology may increase this for younger people and people with mental or physical disabilities. However, will this restrict accessibility for those who are less comfortable with technology? • NT has increased the use of donations via websites and giving platforms. But will this lead to the end of traditional donations boxes, as we see fewer people carrying any cash on them? This may have been helped by more use of cashless transactions during the pandemic. • As part of the UK fundraising code, NT needs to collect and maintain information about opt-in and online permissions. • NT has a database ('yourvolunteering') which contains information which can help volunteers and managers to work more efficiently. • Better systems are being introduced including tills, broadband, laptops and mobile devices. Rapid technological change may affect a range of stakeholders: • Increased employment for suppliers, service providers and maintainers of technology and associated equipment. • Threat of unemployment if technology reduces the need for physical workers or the need to change jobs/locations. • Learning new skills needed to use technology may be motivational for employees (and NT appears very keen on both training workers and equipping them with the necessary skills to use technology). • May create new demand amongst consumers both due to more people being attracted or being made aware of the business and any increase in leisure time made possible

Question	Answer	Mark	Guidance
	NB – award **maximum** of **two** marks for non–contextualised methods. **0 marks** no response or no response worthy of credit.		due to people's jobs being made less time-consuming due to technology. • Easier to obtain feedback (and act on it) from customers. • May allow new opportunities to both raise money (e.g., giving platforms on the Internet) and increase accessibility (e.g., technology which allows visually or hearing impaired to get a better experience from their visits) • The high cost for the business of investing in technology (website, database, tills, laptops etc.) and maintaining or operating it. • The dangers of a system failure or breakdown which could affect NT's ability to operate on a day-to-day basis (e.g., if the tills or broadband fail can they even serve customers in the gift shops?) Accept answers which focus solely on the advantages and disadvantages in terms of computer hardware and software. Better answers will do more than just produce a list of impacts on stakeholders. They will consider the impact from different point of view. They may also recognise that '<u>rapid</u>' technological change has a greater chance to cause significant short-term issues for NT and/or whether NT will be more or less affected than other organisations. **NB**: Do not reward any reference to shareholders or owners as a stakeholder, as NT is a charity. **ARA**

Question	Answer	Mark	Guidance
12	**Analyse one way NT may be affected by data protection legislation.** **Level 2 (3–4 marks)** Candidate shows **reasonable** knowledge and understanding and shows **good** analysis of one-way data protection legislation may affect NT. **Level 1 (1–2 marks)** Candidate shows **limited** knowledge and understanding of one-way data protection legislation may affect NT. (NB – award **one** mark for a non–contextualised answer) **0 marks** no response or no response worthy of credit	4 (AO1 1) (AO2 1) (AO3 2)	Data protection legislation covers the processing and storing of personal information. There are a number of areas where this is relevant at NT, such as: • Membership details such as addresses and bank/card details. • Details provided by donors either online or in person (e.g., selling of raffle tickets) including whether they have 'opted in' to marketing. • The 'yourvolunteering' database. This may require NT to: • Spend money on data protection software/technology. • Ensure the data is relevant, not excessive, and up to date. • Keep it safe / secure. • Not transferred to other countries without adequate protection • Abide by individual's rights to know what information is being kept about them. **Exemplar response:** NT will need to keep the information in the 'yourvolunteering' **(APP)** database secure **(K).** The cost of doing this may be excessive **(AN)** to prevent the information being stolen by hackers **(AN).** Accept answers which focus on the consequences for NT of NOT abiding by data protection legislation. **ARA**

Question	Answer	Mark	Guidance
13 *	**NT recognises the importance of good employer/employee relations.** **Evaluate the extent to which NT's human resources strategy will enable it to achieve this objective.** **Level 3 (11–15)** Candidate shows **strong** knowledge and understanding, analysis and evaluation of NT's HR strategy. *There is a well-developed line of reasoning which is clear and logically structured. The information presented is relevant and substantiated.* **Level 2 (6–10)** Candidate shows **good** knowledge and understanding, analysis and evaluation of NT's HR strategy. *There is a line of reasoning presented with some structure. The information presented is in the most-part relevant and supported by some evidence.* **Level 1 (1–5)** Candidate shows **limited** knowledge and understanding of HR strategy or employer/employee relations but with **limited or no** analysis and evaluation. *The information is basic and communicated in an unstructured way. The information is supported by*	**15** (AO1 2) (AO2 2) (AO3 4) (AO4 7)	Employer/employee relations can refer to legislation, employee participation or trade union involvement, as well as the way in which employees are generally treated by employers. There are numerous areas of context which may be used when discussing NT's human resources strategy, including: - NT is keen to provide the right training and ways of working. We are told it has completed 19,000 days of training for both property staff and catering employees as well as training line managers to be better leaders. It is recognised that the provision of training will help to not only improve the ability of staff to do their job (helps with NT's 'Playing our Part' strategy) but also acts as a motivator and retainer of staff which may be especially important in the not-for-profit sector. - NT regularly features in the Best Company awards for not-for-profit companies. This may be interpreted as good (and linked with the previous point about providing training). Given NT's national position as one of the biggest and most well-known charities this may felt to be important. This may help with HR strategy in terms of labour turnover and satisfaction of employees. - NT appears keen to be seen to support the well-being of staff and volunteers (as seen by the online hub containing advice about physical and mental wellbeing). However, this may be seen as mere tokenism due to the excessive publicity on 'wellbeing' seen during the pandemic. - NT want to pay fairly and recognise the 'total reward' package as being important (often this is when pay rates are below average!) However, it does appear to ensure that pay rates are compared with both the public sector

Question	Answer	Mark	Guidance
	limited evidence and the relationship to the evidence may not be clear. **NB** – award **maximum** of **two** marks for a non–contextualised response. **0 marks** no response or no response worthy of credit.		and not-for-profit sector. Remuneration is a key part of HR strategy, even in the third sector. • NT publishes its gender pay gap, as well as the ratio of highest to median salary in the organisation. It is hard to comment on the gender pay gap, without any comparative data, but we are told that the 'pay ratio' is favourable against external benchmarks and NT have a plan to improve it. • NT has an agreement with a trade union (Prospect) which suggests that many of its employees are members of this union and that there is an open discussion about pay and other conditions with employee's representatives. This is a key part of employer/employee relations. • The provision of the 'yourvolunteering' database can be seen as supporting the employer/employee relationship. Employees should find it easier to manage and communicate with the volunteers (who outnumber employees by a ratio of 5:1) and volunteers may be happier to claim expenses more easily and reliably. **NB**: Accept discussion of volunteers as employees as many of the legal responsibilities and dealings with the organisation will be identical to employees. Better answers will avoid a piecemeal discussion of the components of NT's HR strategy (mainly contained in Extract C and lines 73-89). Answers should use the context to support and exemplify how they contribute to the HR strategy. They may also recognise the different relationship which NT will have with its employees as opposed to its volunteers. **ARA**

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