



GCE AS MARKING SCHEME

SUMMER 2017

**AS (NEW)
BUSINESS – UNIT 2
2510U20-1**

INTRODUCTION

This marking scheme was used by WJEC for the 2017 examination. It was finalised after detailed discussion at examiners' conferences by all the examiners involved in the assessment. The conference was held shortly after the paper was taken so that reference could be made to the full range of candidates' responses, with photocopied scripts forming the basis of discussion. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners.

It is hoped that this information will be of assistance to centres but it is recognised at the same time that, without the benefit of participation in the examiners' conference, teachers may have different views on certain matters of detail or interpretation.

WJEC regrets that it cannot enter into any discussion or correspondence about this marking 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.

WJEC GCE AS BUSINESS - UNIT 2 (NEW)

UNIT 2: Business Functions

SUMMER 2017 MARK SCHEME

Q 1 1	Outline the key features of the Boston matrix.	Total
	<p>Award 1 mark for each feature outlined. AO1: 4 marks</p> <p>Indicative content:</p> <ul style="list-style-type: none">• A technique which allows businesses to analyse (1) their product portfolio (1) with the use of a matrix.• Products are categorised according to market growth and (relative) market share. (1)• Products are placed into one of four categories – stars, cash cows, dogs and problem children. (1)• Stars – high market growth/relatively high market share. (1)• Cash Cows – low market growth/relatively high market share. (1)• Dogs - low market growth/relatively low market share. (1)• Problem children - high market growth/relatively low market share. (1)	4

Q 1 2	Consider the benefits and limitations to a business, such as Heinz, of using the Boston Matrix.		
Band	AO1	AO3	AO4
	2 marks	4 marks	4 marks
3		<p>4 marks</p> <p>An excellent analysis in relation to how the Boston matrix impacts upon strategy and might be effectively used to manage large portfolios.</p> <p>A clear understanding of both benefits and limitations is evident.</p>	<p>4 marks</p> <p>Excellent evaluation of benefits and limitations of using the Boston Matrix when attempting to manage large product portfolios.</p> <p>A judgement is made.</p>
2	<p>2 marks</p> <p>Demonstrates good knowledge of possible benefits and limitations of using the Boston Matrix when attempting to manage a product portfolio.</p>	<p>2-3 marks</p> <p>Good analysis in relation to how the Boston matrix impacts upon strategy and might be effectively used to manage large portfolios.</p>	<p>2-3 marks</p> <p>A good evaluation of the benefits and limitations of using the Boston Matrix when attempting to manage large product portfolios.</p>
1	<p>1 mark</p> <p>Demonstrates limited knowledge of possible benefits or limitations of using the Boston Matrix when attempting to manage a product portfolio.</p>	<p>1 mark</p> <p>Limited analysis in relation to how the Boston matrix impacts upon strategy and might be effectively used to manage large portfolios.</p>	<p>1 mark</p> <p>A limited evaluation of the benefits and limitations of using the Boston Matrix when attempting to manage large product portfolios.</p>
0	<p>0 marks</p> <p>No knowledge evident.</p>	<p>0 marks</p> <p>No analysis undertaken.</p>	<p>0 marks</p> <p>No evaluation evident.</p>

Indicative content:

The key benefits of the Boston Matrix are:

- It is **very simple to use and explain**, as there are only two dimensions and four quadrants.
- It **helps firms to design a strategy** that will combine their competitive strengths with the market opportunities available.
- It **has been used successfully by many firms** over a long period of time in helping to manage wide ranging product portfolios.
- Market growth and relative market share are available to the company making it **relatively easy to construct**.
- **Clear guidance** is provided for the management of each of the four categories in terms of the approach to investment and support of brands or products. Appropriate examples: for example, using money coming into the business from 'cash cows' to invest in the development of 'star products'.
- It is an important model for **allocating resources to the right areas** in order to achieve success in the future.

Possible drawbacks of the Boston matrix:

- Some argue that the Boston matrix is **too simplistic** and that relative market share and market growth rate are too narrow when trying to measure a firm's competitive strength. While market share is one of those factors there are many others that also need to be considered – such as, brand equity, retailer relationships, logistics, financial support, product line, customer loyalty, and so on.
- **It is only a snapshot of the current position** and has no predictive value. In some cases, relative market share could be a reasonable measure of competitive strength – probably in a low growth market (that is, for the cash cows and the dogs) – but is probably going to be far less effective in the high-growth markets, where the competitive situation (and therefore market shares) are far more dynamic.
- **It is based on a series of assumptions.** For example – market share can always be gained by investing in marketing and gains in market share will always generate cash surpluses. These assumptions are not always true.
- **The definition of the market** can be a problem. How a firm decides to define the actual market will change the outcomes. Should the new Heinz soups be place in a 'specialised soup' market or in the 'general' soup market? In one market it might be a 'star', but in the other it may be a 'problem child'.
- **Some of the terminology of the four quadrants might be considered misleading.** For example, the term 'dog' tends to suggest something undesirable that should be removed from the firm's business portfolio. However a 'dog' in a niche position is still likely to be quite profitable to the business. However, it is classified as a 'dog' because it has limited growth potential.

Q 1 3	What is a distribution channel?	Total
	<p>Award 1 mark for each feature outlined. AO1: 2 marks</p> <p>Indicative content:</p> <ul style="list-style-type: none"> The path/route taken by a product (1) as it goes from the manufacturer/producer to the ultimate/final consumer. (1) Distribution channel can be short such as vender to consumer or long such as farmer, exporter, importer, distributor, customer/consumers. (2) Example of a distribution channel. (1) 	2

Q 1 4	Evaluate the impact of selecting the right distribution channels on Heinz and its stakeholders. [8]		
Band	AO2	AO3	AO4
	2 marks	2 marks	4 marks
3			<p>3-4 marks</p> <p>Excellent evaluation of the benefits/drawbacks to a range of stakeholders of using different distribution channels is undertaken.</p> <p>A conclusion is offered.</p>
2	<p>2 marks</p> <p>Good application to Heinz distribution methods is evident.</p>	<p>2 marks</p> <p>Good analysis of the impact of different distribution channels on various stakeholders is undertaken.</p>	<p>2 marks</p> <p>A good evaluation of the benefits/drawbacks to a range of stakeholders of using different distribution channels is undertaken.</p>
1	<p>1 mark</p> <p>Limited application to Heinz distribution methods is evident.</p>	<p>1 mark</p> <p>Limited analysis of the impact of at least 1 distribution channels on at least 1 stakeholder is undertaken.</p>	<p>1 mark</p> <p>A limited evaluation of the benefits/drawbacks to a range of stakeholders of using different distribution channels is undertaken.</p>
0	<p>0 marks</p> <p>No application is evident.</p>	<p>0 marks</p> <p>No analysis undertaken.</p>	<p>0 marks</p> <p>No evaluation evident.</p>

Indicative content:

- Direct distribution to large retailers such as the major supermarket chains benefits Heinz as they are able to make economic bulk deliveries to large warehousing/distribution centres. This enables Heinz to keep its distribution costs down and reach a huge number of its customers via the large retail outlets that the major retailers operate. The supermarkets benefit as they are able to purchase Heinz products at competitive prices. Purchasing in bulk in this way enables the large retailers to price the products competitively in store, thus benefiting the final consumer. Smaller retailers do not benefit from this as they cannot obtain deliveries direct from the producer and therefore cannot compete with the supermarkets on price.
- Distribution via wholesalers. Delivering to small retailers or bed and breakfast businesses in remote locations would not be economic for large retailers – wholesalers enable the products of the large manufacturers to be sold in a whole variety of outlets.
 - Wholesalers make the production of catering size packaging possible and facilitate sales to small hotels, bed and breakfast businesses and cafes and canteens.
 - Wholesalers may run promotions on behalf of the major suppliers such as Heinz, who subsequently benefit from increased sales.
 - Small retailers benefit from being able to purchase goods for resale at ‘wholesale’ prices – thus enabling them to make a profit when selling them to the final consumer.
 - Small businesses are able to purchase goods which they do not have access to directly from the major supplier, although at higher prices than the supermarkets.
- Distribution to consumers via agents and /or wholesalers and retailers. When selling into foreign markets Heinz may use intermediaries called agents or brokers, whose role it is to bring buyers and sellers together. Heinz may benefit as agents have better knowledge of trading conditions in new foreign markets and therefore sales operations are likely to be more successful. The longer the chain of distribution, however, the less profit will be made.
- The more effective Heinz’s distribution is the more profit they are likely to make. This in turn will have a positive impact on other stakeholders such as shareholders, employees and suppliers of raw materials.

Q 2 1	Calculate the percentage gap between the average pay for women managers compared with the average pay for male managers in the UK in 2015.	Total
	<p>Award 1 mark for correct formula. Award 2 marks for correct calculation.</p> <p style="text-align: right;">AO1: 1 mark AO2: 2 marks</p> <p>Indicative Content:</p> <ul style="list-style-type: none"> • Pay gap divided by average male earnings x100 (1) • £39 136 – £30 612 = £8524 (1) • £8524 divided by £39136 x 100 • 22% or 21.8% or 21.78% (1) 	3

Q 2 2	Other than equal pay, explain the areas of discrimination that businesses must address to comply with equal opportunities requirements in the workplace. [6]	
Band	AO1	AO3
	3 marks	3 marks
3	<p>3 marks</p> <p>Excellent knowledge of possible areas of discrimination in the workplace.</p> <p>A wide range of examples are offered.</p>	<p>3 marks</p> <p>Excellent explanation of the requirements upon businesses to ensure that they comply with equal opportunities requirements in the workplace.</p>
2	<p>2 marks</p> <p>Good knowledge of possible areas of discrimination in the workplace.</p> <p>Some examples are offered.</p>	<p>2 marks</p> <p>Good explanation of the requirements upon businesses to ensure that they comply with equal opportunities requirements in the workplace.</p>
1	<p>1 mark</p> <p>Limited knowledge of possible areas of discrimination in the workplace.</p> <p>1 or 2 areas are offered as examples.</p>	<p>1 mark</p> <p>Limited explanation of the requirements upon businesses to ensure that they comply with equal opportunities requirements in the workplace.</p>
0	<p>0 marks</p> <p>No knowledge demonstrated.</p>	<p>0 marks</p> <p>No analysis undertaken.</p>

Indicative content:

- Gender discrimination. There are still many occupations that are still male dominated e.g. fire service, construction, airline pilots. The jobs where females tend to be employed e.g. social care, secretarial, administration, childcare are generally lower paid. An applicant for a job must be fully considered for a position regardless of their gender.
- Age discrimination. It is unlawful to discriminate against a person on the basis of age. Harassment in the workplace which occurs because the employee is older is not allowed (e.g. Calling somebody granny or old timer). Employees must be given an equal chance to undergo training or be considered for promotion.
- Discrimination on the basis of disability. It is unlawful for a business with over 15 employees to discriminate against a person for a reason related to disability in the areas of recruitment, dismissal, terms of employment, promotion, transfers and training. A disabled candidate must be given the job if he/she is the best candidate. Businesses must make reasonable adjustments to the workplace to accommodate disabled employees e.g. improving access, modifying workstations.
- Discrimination on the basis of race (member of an ethnic minority). It is unlawful for employers to treat a member of an ethnic minority or different nationality worse than they treat somebody else. This includes refusing to employ someone, giving worse pay or benefits. Harassment must also not take place. Racially offensive comments/emails are not allowed as they can be humiliating and distressing.
- Sexuality. Discrimination on the bases of sexual orientation, for example, homosexual, bi-sexual or transsexual. Employers must ensure that they show no preference in relation to employment or promotion and seek to protect their rights in the workplace.

Q 2 3	'UK businesses can only benefit from ensuring that their female managers are paid the same as their male counterparts'. Discuss. [10]			
Band	AO1	AO2	AO3	AO4
	2 marks	2 marks	2 marks	4 marks
3				3-4 marks An excellent evaluation of the impact that ensuring equal payment to female managers will have upon UK businesses. An overall conclusion is offered.
2	2 marks Good knowledge of the key issues in relation to equal pay.	2 marks Good use of the data to support the response.	2 marks Good analysis of the situation facing UK businesses in relation to equal pay.	2 marks An good evaluation of the impact that ensuring equal payment to female managers will have upon UK businesses.
1	1 mark Limited knowledge of the key issues in relation to equal pay.	1 mark Limited use of data to support the response.	1 mark Limited analysis of the situation facing UK businesses in relation to equal pay.	1 mark A limited evaluation of the impact that ensuring equal payment to female managers will have upon UK businesses.
0	0 marks No knowledge demonstrated.	0 marks No application undertaken.	0 marks No analysis undertaken.	0 marks No evaluation is evident.

Indicative content:

- By ensuring that male and female managers are paid the same businesses will be complying with the law. The benefit of such compliance is that they will not face legal action and any subsequent sanctions that may be imposed upon them. This could be financially damaging.
- The Equality Act 2010 states that men and women performing work of equal value should receive the same pay.
- Firm's which evidently do pay their male and female managers the same may benefit from improved public relations. This may enhance the firm's reputation and have a positive impact on sales.
- Firms that are transparent and let it be known that being female is not a barrier to their career or salary level (such as Deloitte and PWC) may attract the most talented women into their ranks. This could well provide them with a competitive edge.
- Those women currently employed will be more motivated by the fact that they are now being treated equally and therefore perform more productively. Relevant reference to motivation theorist/s may be offered.
- However, compliance with the law is likely to be costly when bringing the salary levels of female managers up to the level that match their male counterparts. In addition, it is likely that back pay will also have to be paid if underpayment has been taking place - this could be a significant sum of money and will have a negative impact on short term profitability.
- A cultural change will need to be undertaken and change of any sort can be disruptive. Nonetheless, this is likely to be short term pain for long term gain.
- The issue of equal pay will become even more of an issue because businesses of 250 plus will be required to report on what they pay their men and women. Therefore it is likely to become an even more PR issue.
- If companies fail to pay equally, talented female managers may choose to move to an employer that does comply with Equal Pay legislation. The money and time invested in training the employee is lost and will benefit another business – possibly a competitor.

Q 2 4	Explain how the introduction of certain flexible working arrangements may assist female managers in achieving their career ambitions. [9]		
Band	AO1	AO2	AO3
	3 marks	3 marks	3 marks
3	3 marks Excellent knowledge of the relevant flexible working practices.	3 marks Excellent application to the situation facing female managers in the workplace.	3 marks An excellent analysis is undertaken in relation to the impact that flexible working practices might have in assisting women achieve their career ambitions.
2	2 marks Good knowledge of the relevant flexible working practices.	2 marks Good application to the situation facing female managers in the workplace.	2 marks A good analysis is undertaken in relation to the impact that flexible working practices might have in assisting women achieve their career ambitions.
1	1 mark Limited knowledge of relevant flexible working practices.	1 mark Limited application to the situation facing female managers in the workplace.	1 mark A limited analysis is undertaken in relation to the impact that flexible working practices might have in assisting women achieve their career ambitions.
0	0 marks No knowledge demonstrated.	0 marks No application undertaken.	0 marks No analysis is evident.

Indicative content:

- The employment legislation has given employees the right to request more flexible working patterns from their employers. It is still the case in the UK that women undertake greater responsibility for the raising of children. Therefore this legislation is likely to have a greater impact on women than men.
- Flexi- time arrangements would give managers the ability to choose when they start their day and when they finish. This would help in relation to both child care and dropping off/picking up children from school.
- Options to move from full-time to part-time work and back again would help female managers during those times when they are unable to be at work when children are very young.
- Maternity and paternity rights allow greater amounts of time for employees to manage their time following the birth of children. Inevitably, pregnancy is likely to disrupt working continuity.
- Job sharing will enable women to remain as part of the workforce and to achieve a work-life balance.
- Homeworking/teleworking. Technology allows this to occur to a greater extent and would allow women to continue working: (*Women are disadvantaged by 'traditional' ways of working and they find too many barriers that stop them advancing in their careers. This can include workplace cultures that place too much emphasis on hours worked and face-time, rather than outputs.*)
- Giving female managers greater control over their work-life balance means that it is less likely that they will have to leave their jobs if their family circumstances change and this continuity of employment will enhance career prospects.
- The responsibility of raising children still largely falls upon women in the UK and this inevitably impacts upon the careers of female managers. The increasing costs of childcare makes remaining at work financially very challenging for some women.

Q 3 1	Assuming that the average number of staff employed by Cross Roads Transport Ltd in the period 2015-2016 was 320, calculate the number of staff who left over that period.	Total
	<p>Award 1 mark for correct formula. AO1:1 mark Award 2 marks for correct calculation. AO2: 2 marks</p> <p>Indicative Content:</p> <ul style="list-style-type: none"> Identifying labour turnover (1) Number of staff employed during the period x % who left = number who left. 320×0.2 (1) = 64 (1) 	3

Q 3 2	With reference to Table 1 comment on Graham Hepworth's concern that productivity is an issue in relation to deliveries over the last six months.	Total
	<p>Award 1 mark for each appropriate comment based on the date provided in Table 1. AO2:3 marks</p> <p>Indicative Content:</p> <ul style="list-style-type: none"> The number of deliveries in June fell by 428 when compared with January – a drop of 1.74% Productivity per delivery driver has fallen from 250 to 236 – suggesting that they are less efficient. Productivity has fallen even though 4 more drivers have been employed – this makes the situation even more of a concern. 	3

Q 3 3	To what extent do you agree that setting budgets is crucial to success when running a business such as Cross Roads Transport Ltd.		[6]
	AO3	AO4	
	3 marks	3 marks	
3	3 marks Excellent analysis of the impact that the setting of budgets might have on the success of business such as Cross Roads Transport Ltd.	3 marks Excellent evaluation of the positive and negative aspects of setting budgets in businesses such as Cross Roads Transport Ltd. Judgements are made.	
2	2 marks Good analysis of the impact that the setting of budgets might have on the success of business such as Cross Roads Transport Ltd.	2 marks A good evaluation of the positive and negative aspects of setting budgets in businesses such as Cross Roads Transport Ltd.	
1	1 mark Limited analysis of the impact that the setting of budgets might have on the success of business such as Cross Roads Transport Ltd.	1 mark A limited evaluation of the positive and negative aspects of setting budgets in businesses such as Cross Roads Transport Ltd.	
0	0 marks No analysis is undertaken.	0 marks No evaluation is undertaken.	

Indicative content:

- They help a business monitor performance. If a department is incurring particularly high costs it will alert management to try and to resolve the situation. They also highlight good practice and may indicate areas of efficiency.
- By carrying out variance analysis the causes of problems can be identified. These might be internal or external – whatever the reason the causes can then be addressed.
- Departmental managers are more accountable for their activities and will need to improve their performance if they fail to meet their budgets. The production of more accurate budgets in future is likely to lead to greater success.
- Budgets encourage better planning within an organisation – they help anticipate problems and resolve them before they occur.
- They improve communication within an organisation because budget holders have to co-ordinate their activities to ensure that departmental budgets are consistent with the master budget.
- Motivation of the workforce may increase as targets are set which need to be achieved.
- Unrealistic budgets can, however, demotivate staff – especially if they were not consulted in the drawing up of the budget initially.
- A budget may not help a business achieve success if the manager who constructs it does so in order to make his/her department appear successful: for example, by setting sales targets which may be easy to achieve. Such manipulation will result in underachievement.
- Budgets can sometimes be too rigid and put constraints on a business which will not allow it to take advantage of a new opportunity in a dynamic market.
- Overall the positive aspects of setting budgets seem to outweigh the negative aspects in relation to the achievement of success in businesses of this size.

Q 3 4	Explain the concept of <i>total quality management</i> and illustrate the ways in which it can be achieved at Carlton Plc's new distribution operation at the former Cross Roads Transport Ltd. [8]		
Band	AO1	AO2	AO3
	3 marks	3 marks	2 marks
3	3 mark Excellent understanding of the concept of TQM is demonstrated.	3 marks Excellent application of the methods/ways that might be adopted to achieve TQM at Carlton plc's new distribution operation.	
2	2 marks Good understanding of the concept of TQM is demonstrated.	2 marks Good application of the methods/ways that might be adopted to achieve TQM at Carlton plc's new distribution operation.	2 marks Good analysis of how the concept of TQM may be achieved in a large organisation.
1	1 mark Limited understanding of the concept of TQM is demonstrated.	1 mark Limited application of the methods/ways that might be adopted to achieve TQM at Carlton plc's new distribution operation.	1 mark Limited analysis of how the concept of TQM may be achieved in a large organisation.
0	0 marks No knowledge demonstrated.	0 marks No application undertaken.	0 marks No analysis is evident.

Indicative content:

- The concept of TQM is a managerial approach which focuses on quality and aims to improve the effectiveness, flexibility and competitiveness of a business.
- The scale of the new subsidiary distribution business (formerly Cross Roads Transport) is sufficient to be able to set in place initiatives such as quality chains and quality circles.
- The prevention of error is central to this concept and the manufacture of poor quality goods or services should be minimized or eliminated. This may lead to a policy of zero defects in some businesses. Errors have been occurring in relation to delivery to clients.
- All departments and employees are organised in order that ensuring quality is their primary concern – attention is paid to quality at all stages of production and not just at the conclusion of the process.
- Quality chains are a central feature of TQM when a concept of suppliers and customers exists. This is both external and internal. Each person in the chain must treat the next as if they were a customer and seek to satisfy their needs. Fitters must satisfy the needs of the drivers who want their vans to operate efficiently.
- Everybody must engage in the process and be accountable for what they do. All employees must take pride in what they do and show commitment. Employees should be empowered to take decisions that will improve the overall performance of the business. Training needs to be put in place to facilitate this empowerment. None of the managers have received any financial awareness training.
- Quality audits must take place to ensure consistency of approach. Any faults will be investigated until such time as the root cause of the fault is identified and the problem resolved. Incompetence amongst the departmental heads.
- Quality circles will be set up and solutions to problems will be sought using a teamwork approach. Team work is regarded as building trust and improving communication, especially important in large organisations. The sharing of information in this way is an integral part of TQM. Crossroads Transport has been autocratically managed – trust and communication have been poor.
- Monitoring takes place on a regular basis in order to ensure a consistency of approach. SPC is used to collect data related to the performance of a process. Are there certain times of the week when more errors occur? This can then be investigated and resolved.

Q 3 5	Explain what is meant by an autocratic leadership style and consider what impact such a management style might have had on the employees of Cross Roads Transport Ltd.				[8]
Band	AO1	AO2	AO3	AO4	
	1 marks	2 marks	2 marks	3 marks	
3				3 marks Excellent evaluation of the impact that the autocratic leadership style had upon the employees. An overall conclusion is drawn. Judgements are made.	
2		2 marks Good application in relation to staff at Cross Roads Ltd.	2 marks Good analysis of the possible impact of an autocratic leadership style on employees.	2 marks Good evaluation of the impact that the autocratic leadership style had upon the employees.	
1	1 mark Limited understanding of what constitutes an autocratic leadership style.	1 mark Limited application in relation to staff at Cross Roads Ltd.	1 mark Limited analysis of the possible impact of an autocratic leadership style on employees.	1 mark Limited evaluation of the impact that the autocratic leadership style had upon the employees.	
0	0 marks No knowledge is demonstrated.	0 marks No application undertaken.	0 marks No analysis undertaken.	0 marks No evaluation is evident.	

Indicative content:

- An autocratic leadership style is one where the leader makes all decisions independently.
- Autocratic leaders set objectives, allocate tasks and insist upon staff being obedient.
- Communication is top-down and feedback is discouraged. Consultation with subordinates is minimal.
- High levels of supervision normally characterise businesses that are led autocratically.
- The impact of such a leadership style is often negative and leads to poor motivation in the work force. Staff at Cross Roads *do what they have to and little more*.
- The high labour turnover and absenteeism figures are indicative of poorly motivated staff.
- Lack of training amongst departmental managers suggests that the leaders do not want staff who offer ideas or bring about innovation – again typical of an autocratic environment. The text states: - *extremely difficult to get them to open up and offer an opinion as to what the problems of the business might be*.
- The overall impact seems to be that staff are an underutilised resource.
- However, the business has survived since 1960, so it is unlikely that all staff have been dissatisfied with their employment.
- Many of the delivery drivers and fitters have been employed at Cross Roads for a long time – suggesting that the leadership style did not negatively impact upon them as much as others in the organisation.
- Not all workers want to be given responsibility and are content to take orders and carry out the tasks that they are confident in undertaking. Those who may be seeking jobs elsewhere are doing so reluctantly – indicating that management style is not a demotivating issue for them.
- People are individuals and react to leadership styles in different ways. The impact upon workers will vary according to their perception of the situation in which they find themselves. In general, it is fair to say that autocratic leaders have a demotivating impact upon the workforce.