



Section 2.3

Activity 2.3.1

1. The management functions Rebecca fulfilled during the day are:
 - Meeting with department store managers – coordinating
 - Planning meeting with senior staff – setting objectives and planning
 - Presenting awards – motivating staff
 - Reviewing the performance of electrical products – controlling and measuring performance
 - New store planning – setting objectives and planning
 - Settling the dispute between department managers – directing and motivating staff.
2. The characteristics Rebecca might have needed to carry out her roles successfully include:
 - Organised
 - Confident
 - Forward looking
 - Caring
 - Intelligent
 - Effective communicator.
3. The store might encounter the following problems if Rebecca was not a good communicator:
 - Low staff morale
 - Operational inefficiency
 - Lack of direction
 - High staff absenteeism and turnover
 - Rising costs
 - Falling sales
 - Falling profits.

Activity 2.3.2

1. The characteristics of an autocratic leader might be:
 - The leader makes all the decisions
 - Gives little information to staff
 - Supervises workers closely
 - Only one-way communication.
2. An autocratic leadership style might be appropriate in this situation because:



- It is a crisis management situation
- A quick decision needs to be taken
- Employees need clear direction.

3. The advantages of Eli Tarranto using an autocratic leadership style might be:

- It is more effective in a crisis management situation
- Eli Tarranto needs a quick decision
- Employees need clear direction from management.

The disadvantages might be:

- It demotivates staff
- No employee input on decisions
- Business can move in the wrong direction without being questioned.

Activity 2.3.3

Research task.

Activity 2.3.4

1. Fast Nuggets uses a paternalistic management style, with strong direction from managers and some consultation.
2. Problems of this leadership style might include:
 - Dependency of employees on the leader
 - Low employee morale because they are not involved in decision-making
 - High staff turnover and absenteeism.
3. The advantages of Fast Nuggets changing its leadership style might be:
 - Improved employee morale
 - Lower staff turnover and absenteeism
 - More staff input in decision-making.

The disadvantages might be:

- Managers' resistance to change
- Employees' resistance to change
- Managers' loss of control.



4. If it opened branches in Japan and Europe Fast Nuggets might have to adapt its leadership style to:

- Reflect cultural differences among managers
- Reflect cultural differences among workers
- Enable its operations management (production) systems to work
- Adhere to government employment regulations in these areas
- Reflect its objectives in these two areas.

Exam practice question

1. Oscar most closely represents an autocratic manager, and Pierre represents democratic leadership.

2. Reasons why Le Menu might be advised to adopt different leadership styles if it expanded in other countries include:

- In response to cultural differences between managers
- Because of cultural differences between workers
- Because operations management (production) systems work differently
- To be in line with government employment regulations in different countries
- To reflect different aims in the countries it operates in.

3. Oscar's leadership style has the following advantages:

- Quick decision-making
- Effective in pressure situations
- Effective with temporary unmotivated employees.

Disadvantages:

- Demotivates some employees
- Does not allow valuable employee involvement in decision-making
- Poor decisions are not questioned.

Key concept question

The importance of strategy in the way managers lead an organisation includes:

- Degree of change – more change needed, more autocratic
- Speed of outcome – slow change, more democratic
- Difficulty of market conditions – difficult conditions, more autocratic
- Strengths and weaknesses of the business – strong business, more democratic.

The importance of ethics in the way managers lead an organisation includes:



- How well employees are treated – democratic involves employees in decision-making
- Behaviour of the business in the market – aggressive management
- The way the business reacts to regulation – management tries to exploit loop-holes in regulation and tax
- Types of products it produces – how management manage in alcohol and tobacco markets.