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Paper Number:	31588H	Exam Board:	Pearson
Title of Exam:	Principles of Management	Centre Number:	64395
Date:	10.01.2020		

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Which ways have management and leadership been carried out at Lilidays Centre?

Management functions have been carried out in multiple ways at Lilidays Centre. The Managing Director Catherine is a transactional manager, which means that she sets targets for staff to meet, supervises them to make sure work is completed, delegates jobs and supports staff members. The human resource planning at Lilidays has been unsuccessful because they are either understaffed or overstaffed, and employees state they stand around with nothing to do. This is not cost effective to the business, and it is part of a managers functions to be able to have a successful HR plan. The staff are put into teams that are responsible for different jobs at Lilidays, which is most likely because Catherine and other less senior managers (like shift managers) can supervise them more easily. She would also be involved in the recruitment process of these staff members. As the Lilidays Centre is not part of huge chain of entertainment venues, Catherine is able to be more 'hands on' with the managing of the venue. This has meant that she has been able to be a supportive manager at the venue, which implies that she does keep track of staff progress and individual employee development skills. Tracking the day to day operations of the entertainment centre is clearly a management function that is demonstrated at Lilidays Centre, as the managing director is involved with the whole process of a show being booked and then it taking place. The leadership functions demonstrated at Lilidays Centre are very

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minimal. This is due to Catherine being occupied with operations, tracking progress and finding new promoters, which means she doesn't have time to act as a leader towards her staff. Therefore there is no one driving the staff to an end goal or vision, and no one who is implementing any changes, despite it being clear that changes need to be made as the show attendance has dropped by 10% in only three years. However, the staff have been clearly motivated in some way as Lilidays Centre has recorded 'very high' job satisfaction levels and staff feedback, which indicates staff retention is high and are motivated to come to work.

How has Lilidays Centre's management and leadership functions impacted on the ability to achieve their business goals?

The lack of responsibility and planning by the management of Lilidays Centre has impacted the profits of the business, as they have only just broken even. The unsuccessful HR planning clearly shown at Lilidays Centre has meant that the majority of the time, they are paying for staff who don't have many jobs to do. This is in no way cost effective, and has impacted the business financially due to this. This makes it more difficult for them to achieve their fourth business goal as they are not being cost effective, which has resulted in the slow progress of gaining profit (which they have only just broken even). Furthermore, the management at Lilidays Centre did not take action immediately when the attendance began to decrease throughout the year (which was due to repeated shows), and instead

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waited to take action once the attendance had dropped by almost 10% three years later.

The lack of supervision over the attendance numbers has impacted their ability to achieve their first business goal, as they have only just decided to try and put that goal into action by contacting new promoters.

How could Lilidays Centre improve the current functions of management and leadership?

Lilidays could improve the current functions of management and leadership by creating a

vision statement as they do not currently have one. This is a short term

recommendation, as it would need to be discussed by the managers and owner of

the venue about the direction and end goal they want the business to work towards.

This would involve brainstorming within a meeting which would need to be

organised, so is a quick improvement to implement, although they would need to

decide how to enforce this onto staff. The advantages of doing this are that it will

reinforce the strong culture that they have among staff, and potential future

employees as it will motivate them to work together as a team to work towards the

same goal. This may make it easier for staff members to accept further changes in

the business as they will understand it is for the benefit of the business and will help

the business reach its vision. TGI Fridays, a restaurant chain, has a very established

and strong positive culture amongst their workforce, that is reinforced by their

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business values, goals and vision. The employees at TGI Fridays have said that they felt like part of a team while working their, as they all share the same interests, and wanting to contribute to the success of the business. TGI Fridays has very high job satisfaction rates among staff, similar to Lilidays Centre, and they feel like they 'have a purpose' when coming to work. The absenteesim rates among staff at TGI Fridays has decreased in recent years, and is recorded as being very low. When employees first join the TGI Fridays team, they are informed about the visions for the business, and the goals they would like to reach, which are constantly reminded to them. This has contributed to the success of this business as they are now a huge and popular restaurent chain in the UK. This makes it evident that this recommendation could work. The disadvantages of implementing a vision statement is that it may not be of interest to all staff members, which may cause tension among the workforce which would damage the positive business culture it has created. Staff who don't agree with the vision for the business may leave, which would cause vacancies in the business, resulting in a cost to them as the expenses of recruiting a new member of staff is high. The business can not currently to afford to recruit new members of staff as they have only just broken even, and need to create profit if they want to hit their fourth business goal. Therefore this outcome would not be cost effective.

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Another way that Lilidays could improve the current functions of management and leadership is if they recruited a diversity officer. This job role would involve promoting diversity among the business by sourcing new and more diverse shows to perform at the centre. This will give Catherine more time to adopt more of a leadership role in the business (as she currently doesn't have the time to do so), and give her time to adopt the vision statement among the business, driving the workforce into the same direction and motivating them to do this. The advantages of doing this are that it means that Lilidays Centre will be able to host a larger variety of shows, attracting new audiences thus improving the current capacities among shows. This will be a cost benefit to the business as having an increase in capacities means that they will generate more turnover, resulting in making a profit and making it easier to work towards reaching their fourth business goal. Furthermore, Catherine will have more time to adopt a leadership role which is needed for this business in order for the workforce to work towards the same goal as a team. She will have time to involve a business vision amongst the strong and positive culture that they currently have, providing support to staff who are struggling to adjust to the changes. This is a long term recommendation as it will take time for the business to recruit a suitable individual to be the new diversity officer. They can only hire the most suitable person if they do not rush into recruiting someone, which may not be

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cost effective if they get the wrong person and have to go through the process again. Furthermore, hiring a diversity officer externally would be at a cost to the business that they cannot afford. Therefore they could possibly upskill a current staff member instead to take over this role, as it would cost less to hire internally as they are already filed into their system and they already know the functions and culture of the business. This would make this recommendation more cost effective. This is a long term recommendation as it may take time for the diversity officer to find new entertainment within their budget, and also get it advertised correctly. This means it may take time for a change to be seen in the audience capacity they are currently recording, but eventually after attracting new audiences they should see an increase, which would positively impact their profits. This again would make it easier for the business to reach their fourth business goal.

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What are the employment contracts that Lilidays Centre use and could use

- Sub-Contracting
- Part and Full Time
- Permanent
- Seasonal/Temporary
- Flexitime

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### **Sub-Contracting**

Subcontracting is where a business externally employs a service provided by another company to complete work. This is often used by supermarkets to employ cleaners. Lilidays Centre could use subcontracting of staff to be responsible for the cleaning, as this would mean that staff members could focus their attention on working towards the business goals, by providing improved customer service, coming up with new ideas and making the entertainment experience better for the consumers.

### **Part and Full Time**

Full and part time contracts are exactly the same however a part time staff members does a lot less hours than full time staff. Full time staff do all full hours expected of them in a week by the business. Full time staff members are more involved than part time as they are at the workplace everyday and this is their only job. Part time staff do not do all hours of the week, as they usually have other responsibilities like another job, children or education. For example, a student may have a part time job at a supermarket, because they have education and hobbies that also take up their time so they can't commit to the full time contract. Lilidays Centre state that their core group of staff (everyone excluding temporary workers) are either on full or part time contracts do complete the day to day operations at the venue, such as cleaning, box office and catering.



### **Permanent/Seasonal/Temporary**

A permanent contract means that a member of staff is expected to stay at the business for a long period of time (usually more than 5/6 months). This is the most common contract offered by businesses, unless they are a completely seasonal business, for example a pop-up Christmas Shop. A seasonal or temporary contract is when a person is hired only for a limited time only, usually done over busy occasions and holidays. For example, a hotel may hire temporary staff if they were to host a wedding as it's a one off occasion and they would need the extra help due to the increase of people using their services (usually hiring more bar staff/cleaners/waiters etc.). These temporary staff can be hired from agencies that advertise people looking for these jobs. Lilibays Centre hire temporary workers on fixed term contracts (for a limited time only) during their busy periods such as Christmas

### **Flexitime**

Flexitime, also known as flexible working, is a contract that provides an employee with a set amount of hours that they have to complete weekly, but can do these hours when it is most convenient for them. This means employees can choose to work when they know they have child care, have access to transport to work, no educational programme they need to attend or complete, or when they know they have the energy levels to attend. Flexitime is a type of part time contract and is usually taken up by students or parents. Lilibays do not currently provide flexitime contracts however the chief executive officer stated she will 'propose methods of creating a flexible workforce'. Although this could mean that she wants to provide a flexible workforce based on contracts that is best for the business (a range of different contracts).

How could different contracts impact how Lilidays Centre achieve their business goals?

- Employee motivation and retention
- Cost Benefit
- Increase in audience capacity
- Closeness as a team
- Staff directly trying to reach business goals

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### **Employee motivation and retention, Team Working**

Lilidays Centre need staff retention and motivation to stay focused in order for them to work together to reach their business goals. If different contracts are offered to staff at Lilidays, they may feel more job satisfaction if they have more freedom and choice. Offering a contract that could potentially make a staff member happier at work because it provides their favoured hours and benefits will make them enjoy work more, which will maintain their high job satisfaction reviews that they have recorded from staff. If the staff at Lilidays Centre are on the contract that suits them best, it may make them flourish as a team member, encouraging individual employee development. All of these positive elements together will help the business achieve its third business goal about maintaining the positive business culture and high job satisfaction, because the staff will remain happy and comfortable at work, if not more. Reaching this goal is so important for the businesses success. This is because if this goal is not constantly met like it currently is, the business will begin to lack the ability to achieve its other goals. This is because without happy staff at work that are determined and motivated to do well, the other goals just will not be met.

Maintaining this positive culture and team work will also make it easier for the business to promote a vision and direction as the staff will realise that is for the better of themselves and the business, and they rely on each others hard work to be able to succeed.

### **Cost Benefit and Increase in audience capacity**

Offering different contracts at Lilidays Centre will have positive and negative cost benefits to the business. A positive cost benefit of offering different contracts at Lilidays Centre would be that staff resources would not be wasted like they are now during quieter times at the venue. The venue will have the suitable amount of staff for each day/shift without anyone just 'standing around' while it's not busy as they will have more things to do. The different contracts will make it easier for management to sort out for sensible rotas for each week where staff resources are not wasted. Furthermore, Lilidays will not be spending value finances on staff that are not being used on a shift, which will save them money in the long run and help them achieve their fourth business goal; to achieve 5% net profit margin each year. The money saved can also be invested in other problem areas of the business to generate more cash, like bringing in different shows or doing offers for consumers as an incentive to increase the audience capacities, thus increasing the profits made.

### **Staff directly trying to reach business goals**

Different contracts at Lilidays can mean that the business can direct staff to directly maintain business goals they have achieved or work to achieve them. In particular I am talking about their second business goal; to maintain excellent levels of customer satisfaction for tour promoters booking the venues and customers buying the tickets. Furthermore, Lilidays could get more staff to work during the busier times of year, like Christmas, to keep up with the level of customer satisfaction seeing as there will be more people attending the venue at this time that are impressionable. Having more reliable staff responsible for this during busy times is important if they want to maintain their reach of this goal.

## Recommendation 1

- Establish the contracts the business can afford to give out

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The senior managers and executives at Lilidays need to establish the contracts that they are able to give out, based off of how busy it gets, cost and the amount of staff they currently have. This is a short term recommendation as it would take one meeting between all staff that need to be involved to be able to establish the contracts. An advantage of doing this means that the business will not just offer any random contracts to staff that may not be right more the business. For example, if they offered all the staff every contract I listed earlier except subcontracting, and they all picked seasonal or flexitime, this would not work for the business as they would most likely not have enough people doing the shifts that are busiest. Therefore, Lilidays Centre needs to establish the exact contracts that they are giving out, and how many of each one available, so they don't have too many staff on one contract and not enough staff on another that they need. However, the disadvantage of doing this is that the executives and senior managers may pick contracts and the amount offered that are not suitable for the staff. For example, they may decide to offer only three full time jobs, however there are 5 people that would like a full time job. This could cause conflict between staff members if they begin to compete for a contract, or they are put on a contract that does not suit them best. Furthermore, this could cause staff to leave if they do not feel they are happy with their contract, which have an negative impact on the business as there would be an increase in absenteeism and a decrease in job satisfaction among staff. This would negatively

effect the businesses progress in meetings it's goals, in particular goal 3. This is because the positive culture of the business may become a negative workplace thus making it harder to employ people externally to replace those that decided to leave. This may have cost the business money as managers and executives would be taken from their typically job responsibilities to attend the meeting.

## Recommendation 2

- Ask staff what they want from a contract

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My next recommendation is having one on one meetings with staff members to discuss the changes the business is making, why they are being made, how it will benefit the business and what they would like out of their contract, what hours and contracts are best for them etc. This would be short term as it is only one venue with one team of staff, and could be done over a few weeks. The benefits of doing this are that employees will feel that they are being listened to in these meetings as they are being asked for their thoughts. This may make them feel a sense of job empowerment and feel valued at the business. It also gives a chance for staff who may not be monitored as closely to give them an opportunity to share their thoughts. This could further motivate the workforce into driving to reach the business goals, which benefits the business as this makes them closer to reaching their vision. Another benefit as this may make the managers and executives rethink the contracts they have on decided they want to provide, as they may realise from these meetings that more staff would like another contract than one they had opted for. John Kotter had an 8 step guide to managing changes at a business. One of his eight steps was to provide clear communication between staff, so that they understand changes and any disputes can be dealt with early on. Clear communication means having face to face meetings, clear phone calls and emails so that the message the business wants to enforce on the workforce is clearly understood. This direct way of communicating makes miscommunication less likely

to happen, and can make the contract changes take place in a lot quicker and smoother way. The disadvantages of this are that staff may not understand the reasons for the change in contracts at the business, and may disagree with them. This could cause conflict and distrust amongst the staff members and senior members at Lildays Centre. This would create a 'them and us' culture, which would diminish their positive one they have currently, and get them further away from achieving their third business goal. Staff may feel they do not have job security as the senior staff members are revaluating contracts. This could decrease staff motivation or cause them to leave before they think they will be made redundant. This would not be cost effective for the business as they will have to recruit another member of staff which is very expensive. At this moment in time they cannot afford to spend on recruiting as they have only just broken even, and spending on recruitment to fill a vacancy will get them further away from achieving their fourth financial business goal they have set to meet.

## Recommendation 3

- Assign staff to contracts with permission and clear communication

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The last recommendation is to have senior staff members assign contracts to each staff member and have another meeting with them to discuss how they feel about this decision.