

Cambridge AS & A Level · Business 9609 · Notes

# Leadership A2

Read online at [pastopic.com/cambridge/business-9609/notes/leadership](https://pastopic.com/cambridge/business-9609/notes/leadership)

Last checked 5 October 2026

Read first: [Management](#)

© 2026 Pastopic. Free for personal study. Please share the link, not the file.

---

---

## What you need to know

By the end of this topic you should be able to:

1. **Explain the purpose of leadership:** why a business needs people who set a direction and get others to follow it.
2. **Describe the leadership roles in a business:** directors, managers, supervisors and worker representatives, and what each one leads.
3. **Explain the qualities of a good leader**, and how a leader's qualities can help a business succeed.
4. **Explain and judge the main theories of leadership:** trait, behavioural, contingency, power and influence, and transformational.
5. **Explain emotional intelligence (EI)**, also measured as an **emotional quotient (EQ)**, and **Goleman's four competencies**: self-awareness, self-management, social awareness and social skills. Judge how important EI is to a leader or manager in a given business.

The four management styles (autocratic, democratic, laissez-faire, paternalistic) and McGregor's Theory X and Theory Y are in management; motivation theories are in motivation.

---

## Understand it

### What leadership is for

**Leadership** is getting a group of people to work willingly towards a shared goal. A leader decides where the group should go and persuades people to want to go there.

Every business needs leadership because people do not automatically pull in the same direction. The purposes of leadership are:

- **Setting a direction:** deciding the business's vision and objectives, so everyone knows what success looks like.
- **Inspiring and motivating** people to work towards those objectives, and to give more than the minimum.
- **Making key decisions**, especially difficult or risky ones, and taking responsibility for them.

- **Leading change:** explaining why change is needed and winning people over, so that it happens with less resistance.
- **Setting the culture:** the leader's own behaviour shows staff what is valued (honesty, quality, care for customers).
- **Representing the business** to people outside it: investors, customers, the media, the government.

## Leaders and managers

The two words are often used for the same people, and in practice most senior staff do both. But the jobs are different:

|                      | Leadership                                  | Management                                                  |
|----------------------|---------------------------------------------|-------------------------------------------------------------|
| <b>Main question</b> | Where should we go, and why?                | How do we get there efficiently?                            |
| <b>Focus</b>         | Vision, people, change, the long term       | Plans, budgets, systems, today's work                       |
| <b>How it works</b>  | Inspires and persuades                      | Organises and controls resources                            |
| <b>At its best</b>   | People commit to a goal and adapt to change | Targets are met, costs are controlled, nothing is forgotten |

A business with strong leaders but weak managers has exciting plans that fall apart in the detail; one with strong managers but no leadership runs smoothly until the market changes and nobody sees the need to change with it. Which matters more depends on the situation: a business that must change direction needs leadership most; a business whose main problem is waste or poor quality needs management most.

## Leadership roles in a business

Leadership happens at every level, not only at the top.

| Role               | Who they are                                                                                                                  | What they lead                                                                                                           |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>   | Elected by the shareholders to the board of a company; the managing director or chief executive heads the business day to day | The whole business: its vision, objectives and strategy; they answer to the shareholders for its results                 |
| <b>Managers</b>    | In charge of a department, function or site (marketing manager, factory manager)                                              | Their department: turning the strategy into plans, budgets and targets, and leading the people who carry them out        |
| <b>Supervisors</b> | In charge of a team or shift, at the lowest level of management                                                               | The team's daily work: allocating tasks, checking quality, solving problems on the spot, passing information up and down |

| Role                          | Who they are                                                                               | What they lead                                                                                                                                   |
|-------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Worker representatives</b> | Chosen by the employees, often a trade union representative or a member of a works council | The employees' side: putting their views and concerns to managers and negotiating for them; they lead by persuasion, not by authority over staff |

Supervisors are the leaders most employees deal with every day, so their leadership has a large effect on motivation. Worker representatives show that leadership does not need a position of authority: people follow them because they trust them to speak for them.

## Qualities of a good leader

There is no single list, but these qualities are linked to effective leaders:

| Quality                                   | Why it helps the business                                                                        |
|-------------------------------------------|--------------------------------------------------------------------------------------------------|
| <b>Vision</b>                             | A clear picture of the future gives everyone a shared purpose and helps them set priorities      |
| <b>Communication</b>                      | The vision and decisions are understood, and people feel listened to                             |
| <b>Decisiveness</b>                       | Decisions are made on time, even with incomplete information, so chances are not missed          |
| <b>Confidence and self-belief</b>         | Others trust the leader's judgement and feel secure following them                               |
| <b>Drive and determination</b>            | The leader keeps going through setbacks and expects high standards                               |
| <b>Willingness to take risks</b>          | New opportunities are tried before competitors take them                                         |
| <b>Creativity</b>                         | New products, processes and solutions to problems                                                |
| <b>Honesty and integrity</b>              | Staff, customers and investors trust what the leader says, so they cooperate                     |
| <b>Ability to delegate</b>                | The leader's time is freed for the big decisions, and staff develop                              |
| <b>Empathy and emotional intelligence</b> | The leader understands how people feel, so they can motivate them and handle conflict and change |
| <b>Adaptability</b>                       | The leader changes approach when the situation changes                                           |

A quality only helps if it fits the situation: risk-taking suits a start-up in a new market but can be dangerous in a business with large debts, and decisiveness without listening can lead to poor decisions made quickly.

## Theories of leadership

Each theory gives a different answer to the question "what makes a leader effective?"

**Trait theory: leaders have particular personal qualities.** The oldest view is that effective leaders share certain characteristics, such as intelligence, confidence, decisiveness, integrity and charisma, and that these can be identified. A business using it would look for these traits when recruiting or promoting leaders.

- *Strengths*: easy to understand and to use in recruitment (personality and aptitude tests, interviews).
- *Limits*: researchers have never agreed on one list; many successful leaders lack some of the traits and many people with them are poor leaders; it ignores the situation and the followers; it suggests leaders are born, not made, so it gives little guidance on training.

**Behavioural theory: leaders are defined by what they do.** Instead of who a leader is, this view looks at how effective leaders behave, so leadership can be **learned**. Studies sorted leaders' behaviour into two kinds: **task-centred** (setting goals, organising the work, checking results) and **people-centred** (supporting staff, listening, involving them). Blake and Mouton's managerial grid scores a leader on concern for production and concern for people; the most effective leaders are high on both. The management styles (autocratic, democratic, laissez-faire) are also a way of describing leadership behaviour.

- *Strengths*: leadership can be taught, so businesses can train their managers; it gives practical guidance on how to behave.
- *Limits*: the same behaviour does not work everywhere; a people-centred approach may be too slow in an emergency.

**Contingency theory: the best leadership depends on the situation.** There is no one best way to lead. What works depends on the task (routine or creative, urgent or not), the followers (their skills, experience and motivation) and the leader's position (how much authority they have and how good their relationships with staff are). Fiedler argued that a leader's style is fairly fixed, so the business should put leaders in situations that suit them; other versions (situational leadership) argue that a good leader changes style to fit the followers, giving more direction to new staff and more freedom to experienced ones.

- *Strengths*: realistic; it explains why a leader who succeeds in one business can fail in another.
- *Limits*: complex to apply; it is hard to judge a situation accurately; leaders may not be able to change their style, and changing it often can confuse staff.

**Power and influence theory: leaders are followed because of the power they hold.** This view looks at **where a leader's power comes from** and how they use it to influence people. French and Raven identified five sources of power:

| Source of power   | People follow because ...                                       |
|-------------------|-----------------------------------------------------------------|
| <b>Legitimate</b> | the leader's position gives them the right to give instructions |
| <b>Reward</b>     | the leader can give pay rises, bonuses, promotion or praise     |
| <b>Coercive</b>   | the leader can punish: discipline, demotion, dismissal          |
| <b>Expert</b>     | the leader has knowledge or skill that others need              |
| <b>Referent</b>   | people admire, respect or like the leader personally            |

Leading mainly through rewards and punishments for meeting targets is called **transactional leadership**: staff do what is asked in exchange for something.

- *Strengths*: explains why people follow leaders who have no formal position (a respected expert, a worker representative), and warns that power based only on punishment produces fear, not commitment.
- *Limits*: it describes the sources of power but not which leaders use them well; a leader with plenty of power can still lead badly.

**Transformational theory: leaders inspire people to change.** A transformational leader creates an exciting **vision** of a better future and inspires people to work towards it, going beyond their own interests. Such leaders act as a role model, challenge staff to question old ways and come up with new ideas, and pay attention to each person's needs and development. They are most valuable when the business needs **major change**: a new strategy, a rescue, a merger, a new technology.

- *Strengths*: change happens with commitment rather than resistance; staff often become more motivated and creative; it can transform the culture.
- *Limits*: it depends heavily on one person, so the business may struggle when they leave; a vision is no substitute for a sound plan, money and good management; staff can be worn out by constant change; and some situations (an emergency, routine work, staff who want clear instructions) need firmer direction.

| Theory              | Effective leadership comes from          | Main use for a business                                    |
|---------------------|------------------------------------------|------------------------------------------------------------|
|                     | ...                                      |                                                            |
| Trait               | who the leader is                        | Choosing leaders                                           |
| Behavioural         | what the leader does                     | Training leaders                                           |
| Contingency         | matching leadership to the situation     | Choosing or adapting a style for a team or task            |
| Power and influence | the sources of power the leader uses     | Understanding why people follow, and the risks of coercion |
| Transformational    | inspiring people with a vision of change | Leading major change                                       |

## Emotional intelligence (EQ)

**Emotional intelligence** is a person's ability to recognise and control their own emotions, and to recognise and respond well to the emotions of other people. **Emotional quotient (EQ)** is a measure of it, in the way that IQ measures reasoning ability. The psychologist **Daniel Goleman** argued that EI matters at least as much as technical skill or IQ for leaders, and that, unlike IQ, it can be developed.

Goleman described **four competencies**. Two are about **you** and two are about **other people**; two are about **recognising** emotions and two are about **acting on** them:

|             | Yourself                                                | Other people                                        |
|-------------|---------------------------------------------------------|-----------------------------------------------------|
| Recognising | <b>Self-awareness</b><br>knowing your own emotions      | <b>Social awareness</b><br>reading others' emotions |
| Managing    | <b>Self-management</b><br>controlling your own emotions | <b>Social skills</b><br>handling relationships      |

Emotional intelligence (EQ) = all four together

- **Self-awareness:** knowing your own emotions as they happen, having an honest picture of what you are good and bad at, and seeing how your moods affect other people. *A manager who knows she becomes curt when she is under time pressure warns her team, and avoids giving feedback at those moments.*
- **Self-management:** keeping your emotions under control, staying calm and thinking before acting under pressure, adapting to change, and keeping going after a setback. *A shift supervisor whose line has broken down explains the plan calmly instead of shouting, so the team stays focused.*
- **Social awareness:** empathy, sensing what other people feel and why, seeing things from their point of view, and reading the mood of a team or organisation. *A director notices that the staff of a recently bought branch have gone quiet in meetings and asks what is worrying them.*
- **Social skills** (also called relationship management): using that understanding to communicate, persuade, settle conflicts, build teams and lead change. *A manager settles a dispute between two departments by finding a solution each can accept.*

#### Why EI matters to a leader:

- **Trust from staff:** employees who feel understood trust their leader, so motivation rises and fewer leave, cutting recruitment and training costs.
- **Steady, predictable behaviour:** a leader who controls their moods treats people the same way every day, so staff know where they stand.
- **Smoother change:** a leader who understands how staff will feel about a change can explain it in the right way and deal with fears early, so resistance is lower.
- **Better teamwork and fewer conflicts:** disagreements are noticed and settled before they damage the work.
- **Understanding customers:** the same skills help in reading customers' needs and handling complaints, which matters most where staff deal with customers face to face.
- **It spreads:** a leader with high EI sets an example, and EI can be built into the training of other managers.

#### Limits of EI:

- It is hard to measure, so recruiting for it is uncertain.

- It is not enough on its own: a leader also needs knowledge of the industry, the ability to plan and control resources, and sound decisions.
- It matters most where people work closely with each other or with customers; in a business with little personal contact, other skills may matter more.
- In a crisis that needs fast orders, or with routine tasks, clear direction may matter more than empathy.
- A business's success has many causes (its product, its market, external events, other managers), so it is hard to say how much of it comes from one leader's EI.

## Key facts and formulas

There is no formula list for this subject in the exam. "Learn it" means you must remember it.

| Formula or fact                                                                                                                                                                                                                                | Status   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| Purposes of leadership: set a direction, inspire and motivate, make key decisions, lead change, set the culture, represent the business                                                                                                        | Learn it |
| Leadership roles in a business: directors, managers, supervisors, worker representatives                                                                                                                                                       | Learn it |
| Leadership theories: trait (who the leader is), behavioural (what the leader does), contingency (it depends on the situation), power and influence (where the leader's power comes from), transformational (inspiring change through a vision) | Learn it |
| French and Raven's sources of power: legitimate, reward, coercive, expert, referent                                                                                                                                                            | Learn it |
| Emotional intelligence: the ability to recognise and control your own emotions and to recognise and respond to other people's                                                                                                                  | Learn it |
| Goleman's four competencies of emotional intelligence: self-awareness, self-management, social awareness, social skills                                                                                                                        | Learn it |
| Labour turnover = $\frac{\text{number of staff leaving in a period}}{\text{average number of staff employed}} \times 100$                                                                                                                      | Learn it |
| Percentage change = $\frac{\text{new} - \text{old}}{\text{old}} \times 100$                                                                                                                                                                    | Learn it |

## How to do it

We have tagged 10 questions on this topic (2021–2025), from Papers 1, 3 and 4. Each is one type, so the counts add up to 10.

| Question type                                                                       | Questions |
|-------------------------------------------------------------------------------------|-----------|
| Evaluate or discuss the importance of emotional intelligence to a leader or manager | 3         |

| Question type                                                                             | Questions |
|-------------------------------------------------------------------------------------------|-----------|
| Evaluate the importance of leadership, or of a leadership theory, to a business's success | 3         |
| Define emotional intelligence or explain Goleman's competencies                           | 2         |
| Analyse two benefits of a leader's qualities or emotional intelligence                    | 2         |

Leadership is A Level content in the current syllabus, so new questions come on **Paper 3** (case study) and **Paper 4** (strategy). The Paper 1 questions from 2021 and 2022 are still good practice.

The marks are for four skills: **K** (knowledge: a correct definition or point), **App** (application: using facts from the case or the kind of business to support a point, not copying them), **An** (analysis: a chain of causes and consequences) and **Eval** (evaluation: a supported judgement). Below, (K), (App), (An) and (Eval) after a sentence show the mark it earns.

### How the papers mark them.

- **Paper 3, Analyse [8]:** 2 K, 2 App, 4 An. One link in a chain is Level 1 (1–2 An); two or more links is Level 2 (3–4 An), and 4 needs both points developed. App is at most one per point.
- **Paper 3, Evaluate [12]:** 2 K, 2 App, 2 An, 6 Eval, each by levels. The top Eval level (5–6) needs a developed judgement **in the business's context**.
- **Paper 4, Evaluate or Advise [20]:** 3 K, 2 App, 8 An, 7 Eval. Knowledge of leadership earns at most 2 K; the third K comes from the strategy concept in the question (strategic management, or a survival or turnaround strategy). The top An level (7–8) needs the separate chains pulled together into an analysis of the whole situation; the top Eval level (6–7) needs a judgement in context drawn from developed evaluative comments.
- **Paper 1 Section B essay [20]** (2021–2022): marked by levels; analysis without evaluation stops at 12 or 14, and the top level (17–20) needs effective evaluation.

## 1. Evaluate or discuss the importance of emotional intelligence to a leader or manager (3 questions)

Set as a Paper 3 Evaluate [12] about the leader in the case (2025), and as Paper 1 essays [20] about the managers of a named kind of organisation (2021, 2022).

1. **K:** define EI and use **Goleman's four competencies by name**. Developed knowledge also says why EI matters to leaders (relationships, motivation, communication, change).
2. **App:** use the case or the kind of organisation: how much contact staff have with each other and with customers, what the leader is doing now (growing the business, introducing a change, dealing with conflict), what the case says about the leader's behaviour and the staff's feelings. For an organisation named only by type, picture its real work: who the leader deals with, what goes wrong, what customers expect.
3. **An:** take one or two competencies and follow each to a result for the business: social awareness → the leader sees that staff fear a change → explains it and listens → staff accept it → it is introduced without lost output or resignations.

4. **Eval**: weigh EI against the other things the leader and the business need, then judge in context. Useful angles:

- **Which competency matters most** for this leader now, and why (a leader taking over an unhappy team needs social awareness first).
- **How much of the business's success** really comes from the leader's EI, and how much from the product, the market, other managers, or external events.
- **Situations where EI matters less**: a crisis needing fast orders, routine low-skilled work where clear instructions matter more, or a business where staff rarely deal with customers.
- **What else the leader needs**: technical knowledge, planning, financial control, sound decisions.
- **Short term against long term**: EI may matter most during change or growth, less once the business runs smoothly.

Finish with a judgement on **how important EI is for this leader or organisation**, and what it depends on. An answer that describes the four competencies in general, however accurately, stays in the low levels.

## 2. Evaluate the importance of leadership, or of a leadership theory, to a business's success (3 questions)

Set as a Paper 4 [20] on a case with a timeline (2023, 2025), sometimes naming one theory (transformational), and as a Paper 1 essay [20] weighing good leaders against effective managers in a named kind of business (2022).

1. **K**: define leadership and the named theory; other theories, qualities and EI all count as knowledge, but leadership knowledge earns at most 2 K on Paper 4. The third K is for the strategy idea in the question: strategic management, or what a survival or turnaround strategy involves. You do not need a separate paragraph of definitions: knowledge used inside arguments earns the marks.
2. **App**: pick the case facts that show leadership at work: decisions the leader made, the vision they set, how they handled staff, change or a crisis. Say what each fact shows; copying the timeline earns nothing.
3. **An**: build chains both ways: the leader's vision → staff commit to the new direction → the change is completed faster → revenue grows; but → the business depends on one person → if they leave, the direction is lost. For Paper 4, connect the chains: show how the leadership, the strategy and the results fit together.
4. **Eval**: the other causes of success (the product, the market, external events, finance, the skills of staff, other managers), what the answer depends on, and a clear judgement. For "advise", the judgement is advice the business can act on for its future.

**Every paragraph must come back to leadership.** It is fine to judge that something else mattered more, but only by explaining why leadership mattered less; long analysis of marketing or operations on its own earns nothing.

### Variations you will meet:

- **One named theory** (for example transformational leadership): judge that theory first, then use other theories (contingency, for instance) to show when a different approach would work better.

- **Leaders against managers:** show what each contributes (vision and change against planning, organising and controlling), use the industry's real work, and note that the two overlap and depend on each other. An answer that spends its time listing management styles misses the question.

### 3. Define emotional intelligence or explain Goleman's competencies (2 questions)

**"Define emotional intelligence" [2]** (Paper 1): two elements. **Your own** emotions: recognising and controlling them (1). **Other people's** emotions: recognising and responding to them (1). One element alone earns 1. Listing Goleman's four competencies is not a definition.

**"Explain two of Goleman's competencies" [3]**: name each competency and say what it involves. Two correct explanations earn 3; one correct explanation (or two partial ones) earns 2; one partial explanation, or just naming two, earns 1. A partial explanation can earn credit without the exact name, but full marks need each competency named and explained; a general point about being a good leader earns nothing.

### 4. Analyse two benefits of a leader's qualities or emotional intelligence (2 questions)

Paper 3 [8]: two qualities the case's leader shows, or two benefits of a leader with high EI.

1. **K:** name each quality or benefit in a few words. For EI, a definition earns at most 1 K; the second comes from a benefit.
2. **App:** find the evidence in the case: what the leader **did** that shows the quality (a decision, a risk taken, a negotiation), or why this business needs EI (staff who must cooperate, customers whose feelings matter, a change coming).
3. **An:** carry each point through at least two links to a result for **this** business: sales, costs, quality, productivity, labour turnover, profit.

Write exactly two points; only the best two are marked. "Analyse" has no evaluation marks, and if the question says benefits, drawbacks earn nothing.

---

## Worked examples

### Example 1

Tomasz has just been promoted from software tester to lead the team of 8 testers he used to work alongside. In his first week, two testers stop speaking up in meetings, and Tomasz finds himself getting defensive whenever they criticise a release he approved.

(a) State the two of Goleman's competencies of emotional intelligence that are about other people's emotions. **[2]**

(b) Explain the difference between self-awareness and social awareness, using Tomasz's situation. **[3]**

**(a)** Social awareness (1). Social skills (1).

**(b)** Self-awareness is about **your own** emotions: noticing what you feel at the moment you feel it and how it affects what you do. Tomasz shows it if he realises that criticism of his decisions makes him defensive, so he can hold back before replying (1). Social awareness is about **other people's** emotions: sensing how others feel and why. Tomasz shows it if he notices that the two quiet testers may feel awkward reporting to a former colleague, or unsure whether he still wants their honest views (1). So the difference is the direction: self-awareness looks inward at the leader's own reactions, social awareness looks outward at the team's; Tomasz needs both, because his defensiveness may be the very reason the testers have gone quiet (1).

One mark for each competency correctly explained in context, and one for making the difference clear.

## Example 2

Kestrel Wind Services (KWS) repairs and services wind turbines at sea for energy companies, on two-year contracts. Its founder, Amara, leads 140 technicians from three harbour bases. When a storm is forecast, Amara decides within the hour whether the boats sail, and the decision is never left to the crews. She also publishes every safety incident, however minor, to all staff and to customers. Lost-time injuries fell from 12 in 2023 to 4 in 2025, and in 2025 KWS kept 9 of its 10 contracts.

Analyse two ways in which Amara's leadership qualities help KWS to keep its contracts. [8]

**Decisiveness.** A decisive leader makes a clear decision quickly, even when the information is uncertain (K). Amara decides within an hour whether boats sail when a storm is forecast (App), so technicians, boats and spare parts can be switched to other jobs at once instead of waiting at the quay (An); less time and fuel are wasted and broken turbines are repaired sooner, so the energy companies lose less electricity output and have a reason to renew KWS's contracts (An).

**Honesty and integrity.** A leader with integrity tells the truth even when it is uncomfortable, so people trust what they say (K). Amara publishes every incident, however small, and injuries fell from 12 to 4, a fall of two-thirds (App). Because problems are shared openly rather than hidden, technicians report near misses and the causes are fixed before someone is hurt (An); energy companies, whose own safety record includes their contractors, see the open reporting and the falling injury figures, trust KWS and renew, which is why 9 of 10 contracts were kept (An).

Each quality earns K + App + a developed chain:  $2K + 2App + 4An = 8$ . No judgement is needed: "analyse" has no evaluation marks.

## Example 3

Coastline Couriers (CC, 210 drivers) and Ridgeway Parcels (RP, 140 drivers) merged in January 2025 to form CR Logistics. Rafael, CC's chief executive, now leads the merged business. He is known for staying calm under pressure and for spending time at depots talking to drivers. CC drivers are paid by the hour; RP drivers are paid per parcel delivered. The two businesses use different route-planning software, which must be replaced by one system in 2026. A staff survey and staff records for the first six months show:

|                                          | Former CC drivers | Former RP drivers |
|------------------------------------------|-------------------|-------------------|
| "I trust the senior managers"            | 74%               | 38%               |
| Drivers who left in the first six months | 21                | 28                |
| Drivers at the start                     | 210               | 140               |

Evaluate how far Rafael's emotional intelligence will decide whether the merger succeeds. [12]

**Knowledge.** Emotional intelligence is the ability to recognise and control your own emotions and to read and respond to the emotions of others (K). Goleman divides it into self-awareness, self-management, social awareness and social skills; a leader with high EI builds trust, which helps staff accept change (K).

**Why EI matters here.** Former RP drivers trust senior managers far less than former CC drivers, 38% against 74%, and  $\frac{28}{140} \times 100 = 20\%$  of RP drivers left in six months against  $\frac{21}{210} \times 100 = 10\%$  of CC drivers (App). RP staff seem to feel taken over by a business they did not choose. Using his social awareness, Rafael can find out at the depots what RP drivers fear, such as losing their per-parcel pay (App); if he then uses his social skills to explain the plans honestly and involve RP drivers in them, trust should rise, fewer drivers leave, and CR Logistics avoids the cost of recruiting and training replacements while keeping its delivery capacity (An).

**Why EI is not enough.** The merger can fail for reasons empathy cannot fix (Eval). If the single route-planning system fails in 2026, parcels go missing and customers leave, however well Rafael relates to staff: that depends on planning and on the software supplier (Eval). And the pay decision is a business decision: if RP drivers end up earning less, understanding their feelings will not stop them leaving (Eval). Rafael also cannot be at every depot, so the EI of the supervisors who meet drivers each day may matter as much as his own (Eval).

**Judgement.** Rafael's EI is very important in the merger's first year, because the evidence of failure so far is about feelings: the trust gap of 36 percentage points and an RP leaving rate double CC's (Eval). If he cannot close that gap, CR Logistics will lose drivers faster than it can replace them. But it will not decide success on its own: a fair pay settlement and a smooth software change in 2026 matter as much, and his EI helps mainly by making those changes acceptable to staff (Eval). So EI will decide whether the merger succeeds only if the business decisions behind it are sound; it depends most on whether the new pay system leaves RP drivers no worse off (Eval).

The marks: 2 K, 2 App, 2 An, and 6 Eval for a judgement in CR Logistics' context that weighs EI against the pay decision, the software change and the supervisors' role, and says what it depends on.

## Example 4

Northgate Seeds (NS) breeds and sells crop seeds to farmers in four countries.

| Year | Event                                                                                                                                                                               |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2019 | Hana is appointed chief executive; NS has lost money for three years                                                                                                                |
| 2020 | Hana visits all four sites to explain her vision: NS will become the leading supplier of seed for drier climates. NS stops selling lawn seed, which has made a loss for three years |

| Year      | Event                                                                                                                            |
|-----------|----------------------------------------------------------------------------------------------------------------------------------|
| 2021      | Research scientists may spend one day a week on projects of their own choosing; the research team grows from 12 to 30 scientists |
| 2021–2023 | Three dry seasons in NS's main markets                                                                                           |
| 2022      | The government starts paying part of the cost when farmers buy certified drought-tolerant seed                                   |
| 2023      | NS launches 4 drought-tolerant varieties, 3 of which began as scientists' own projects                                           |
| 2026      | NS plans to start selling in two new countries                                                                                   |

|                 | 2019 | 2025 |
|-----------------|------|------|
| Revenue (\$m)   | 48   | 66   |
| Profit (\$m)    | –3.0 | 5.4  |
| Labour turnover | 18%  | 7%   |

NS's chair says: "Hana's transformational leadership turned this company round." Evaluate this view. [20]

**Transformational leadership.** A transformational leader creates a vision of a better future and inspires staff to work towards it, encouraging new ideas and supporting each person's development (K). Contingency theory suggests that this approach fits a business that needs major change (K), and NS, after three years of losses, needed exactly that (App).

**The turnaround strategy.** A turnaround strategy is a plan to return a loss-making business to profit by changing what it sells and how it competes, usually cutting what loses money and investing in what can grow (K).

**The vision and the culture.** Hana's vision of seed for drier climates gave every site the same goal (App). Because staff understood where NS was going, research, production and sales could all focus on drought-tolerant seed (An), which meant the business was ready with 4 new varieties by 2023, just when demand for them rose (An). Labour turnover fell from 18% to 7% (App), suggesting that staff believed in the new direction (An); with fewer leavers, scientists stayed long enough to finish multi-year breeding programmes, which kept new varieties coming (An).

**Encouraging ideas.** Giving scientists a day a week for their own projects is the "challenge staff to think in new ways" side of transformational leadership. 3 of the 4 new varieties began this way (App), so it produced most of NS's new products (An); new products in a growing market raised revenue from 48 to 66 million dollars,  $\frac{66-48}{48} \times 100 = 37.5\%$ , and turned a loss of 3.0 million dollars into a profit of 5.4 million dollars, a margin of  $\frac{5.4}{66} \times 100 = 8.2\%$  (An).

**The other causes.** Three dry seasons and the government's payment to farmers both raised demand for drought-tolerant seed (Eval). These were external events that Hana did not control; without them, the same varieties would have sold far less (Eval). The varieties themselves came from the scientists' skill: leadership

created the conditions, but the scientists did the breeding (Eval). Closing the loss-making lawn-seed range was a management decision on costs rather than inspiration (Eval), though it was Hana's leadership that took it.

**Bringing it together.** Hana's leadership linked the pieces: her vision told NS what to research, the freedom she gave scientists produced the products, and the loyalty she built kept the team together, so NS was ready when the weather and the government created demand (An). The chair's view is largely right, but "turned round" gives her too much of the credit: the dry seasons and the subsidy decided how big the recovery was (Eval). A fair judgement is that her leadership was the main internal cause and the reason NS could take the opportunity, while the size of the recovery owed much to luck (Eval). This matters for NS's plan to enter two new countries: if they have neither the dry climate nor the subsidy, Hana's leadership alone will not repeat the result, and the business depends heavily on one person staying (Eval).

The marks: 3 K (2 for leadership, the most Paper 4 allows, and 1 for the turnaround strategy), 2 App, 8 An (the chains connected into one picture of how leadership, strategy and results fit together) and 7 Eval (a supported judgement in NS's context that weighs leadership against the external causes and the scientists, and says what it depends on).

---

## Common mistakes

- **Half a definition of EI.** Writing only about your own feelings, or only about other people's, earns 1 mark of 2. Cover both.
- **Answering "explain two competencies" without naming them.** An unnamed but recognisable explanation can still earn 1 or 2 marks, but full marks need each competency named (self-awareness, self-management, social awareness, social skills) as well as explained. General remarks about being a good leader earn nothing.
- **Mixing up EI with leadership qualities in general.** Confidence, vision and decisiveness are qualities; EI is specifically about recognising and handling emotions.
- **Leaving the organisation out.** A question about the managers of a particular kind of organisation needs its real situations: who the managers deal with, when feelings run high, what customers expect. An answer that would fit any business stays in the low levels.
- **Drifting away from leadership.** In a 20-mark answer it is tempting to analyse the business's strategy, marketing or finance at length. Every argument must say what it shows about leadership, even when you conclude that leadership mattered less.
- **Describing styles instead of answering.** Pages on autocratic and democratic styles do not answer a question about leaders against managers, or about the importance of EI.
- **Copying the case.** Repeating the timeline or the leader's actions is not application; say what each fact shows.
- **One-sided evaluation.** "EI is very important" with no weighing against other skills or causes of success cannot reach the top levels. Say when it matters less, and what else is needed.
- **Defining everything first.** In Paper 3 and Paper 4 long answers, a block of definitions takes time and earns little; use the theory inside your arguments.

- **Using Goleman for the wrong question.** EI is about the leader's handling of emotions; a question about managers' roles needs Mintzberg, and one about motivation needs motivation theory.

---

## How to get the marks

- **Command words.** *Define*: both elements of the meaning. *Explain*: name the point, then what it involves or why. *Analyse*: two points, each with a case fact and a chain of two or more links; no judgement. *Evaluate* or *Discuss*: arguments on both sides, then a supported judgement. *Advise*: a judgement framed as advice the business can act on.
- **Use the theory by name:** Goleman's four competencies, the five theories, French and Raven's sources of power. Knowledge marks come from correct theory used to answer the question.
- **[8] analyse two:** exactly two points; each needs its own case fact (one App each) and a developed chain. Extra points are not marked.
- **[12] evaluate (Paper 3):** 2 K, 2 App, 2 An, 6 Eval. The top level needs a developed judgement **in context**: how important EI or leadership is **for this leader and this business**, and what it depends on.
- **[20] (Paper 4):** 3 K, 2 App, 8 An, 7 Eval. Most marks are for analysis and evaluation, so spend most of the answer there. Depth beats coverage: a few points taken a long way score better than many short ones. Connect the chains to show the whole picture, and make the final judgement answer the exact question.
- **You can judge as you go**, after each argument, as long as there is a clear final answer.
- **Weigh leadership against something specific:** external events, the product, the skills of staff, the quality of management, finance. A judgement that "it depends" without saying on what stays low.

---

## Quick check

1. Which leadership role (director, manager, supervisor or worker representative) fits each person? (a) Agrees a five-year strategy with the board and reports the results to shareholders. (b) Runs the morning briefing for nine warehouse pickers and checks their orders. (c) Is chosen by colleagues to present their objections to a new shift pattern. (d) Turns the marketing objectives into a budget and a campaign for her department.
2. Which theory of leadership does each statement reflect? (a) "Some people are simply born to lead." (b) "A leader who thrives in a young start-up may fail in a long-established bank." (c) "Watch what good leaders do, and train new managers to do the same." (d) "Staff follow her because she is the best engineer on the site." (e) "He won the staff over to a complete change of direction by giving them an exciting picture of the future."
3. Name the Goleman competency shown in each case. (a) A manager knows that she interrupts people when she is anxious, and that her team notices it. (b) A supervisor counts to ten before replying to a rude email. (c) A team leader sees that a usually cheerful colleague has gone quiet and asks whether something is wrong. (d) A director settles an argument between two department heads with a solution both accept.

4. A call-centre team employed an average of 40 staff in both 2024 and 2025. 14 staff left in 2024. Its supervisor then had training in emotional intelligence, and 6 left in 2025. Calculate the labour turnover in each year, and give one reason, other than the supervisor's EI, that could explain the fall.
5. Explain one reason why transformational leadership may not be the right approach for a business facing a sudden crisis.

## Answers

1. (a) Director. (b) Supervisor. (c) Worker representative. (d) Manager.
2. (a) Trait. (b) Contingency. (c) Behavioural. (d) Power and influence (expert power). (e) Transformational.
3. (a) Self-awareness. (b) Self-management. (c) Social awareness. (d) Social skills.
4. 2024:  $\frac{14}{40} \times 100 = 35\%$ . 2025:  $\frac{6}{40} \times 100 = 15\%$ . Other reasons: fewer jobs available locally, so staff are less able to leave; a pay rise or better conditions in 2025; a new manager above the supervisor; or the 2024 figure was unusually high (for example, a rival call centre opening nearby and hiring staff). So the fall alone does not prove the training worked.
5. A crisis needs fast, clear decisions and instructions, while transformational leadership works by building a shared vision and winning people over, which takes time. If the business has days to act, for example because a major customer has cancelled, waiting for staff to buy into a vision could cost it the chance to save itself; firmer, more directive leadership may work better until the crisis is over.

## Past questions to try

- **9609/12/M/J/22 Q6**: the importance of emotional intelligence to the manager of a luxury holiday resort.
- **9609/11/O/N/21 Q6**: whether the leaders and managers of a school need high emotional intelligence to succeed.
- **9609/12/O/N/22 Q6**: good leaders against effective managers in an international hotel chain.
- **9609/42/M/J/23 Q1**: how far leadership explains a restaurant business's strategic management.