**Leadership styles – Past paper question**

Miles Guitars is solely owned by Dave Miles, who set up the business 25 years ago. The

business had built an excellent reputation for making top quality acoustic guitars. The recession was taking its toll, and when he viewed the Profit and Loss Account for 2013, sales revenue had fallen worryingly. Reluctantly, Dave who had always adopted a **democratic leadership style**, called all 27 members of his staff together to discuss the worrying situation and the possible job losses that might be necessary.

At the meeting one of the apprentices, who had recently joined a local ukulele band, suggested that ukuleles were something that the firm might consider making. Dave was aware of the increasing popularity of the instrument and undertook some market research to assess the potential of the market. Following a great deal of discussion with his senior members of staff, Dave decided to start making ukuleles in an attempt to revive the business. He estimated that there would be a good deal of **added value** in the production process and this encouraged him to proceed.

**Discuss the view that a democratic leadership style, in whatever size or type of business, is always likely to be the most effective in achieving success. [12]**