Exercise walk-through

# 2.2
# Leadership, management and motivation

International Baccalaureate · IB Diploma · Business Management · HL

# Leadership and management

- **Management** is about getting things done.
- Henri Fayol listed its functions: planning, organising, commanding, coordinating and controlling. **Leadership** is about setting a direction and inspiring people to follow it.
- A good manager is not always a good leader, and the reverse is also true.
- The best style depends on the situation: the task, the time available, the skills of the workers, and the culture of the business.

# Motivation and demotivation

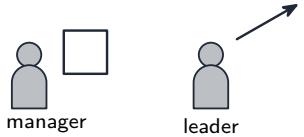
- **Frederick Taylor** : workers are motivated mainly by money. He used **scientific management** : break each job into simple tasks, find the fastest method, and pay by output (**piece rate** ). Critics say people want more than money, and repeated simple tasks are boring.
- **Abraham Maslow** : people have a **hierarchy of needs** . A lower need must be met before the next one motivates.
- **Frederick Herzberg** : two separate sets of factors. **Hygiene factors** such as pay and conditions do not motivate, but if they are poor, workers become unhappy. **Motivators** such as recognition and responsibility create real **motivation**.

# Sources for this lesson

- International Baccalaureate, *Business Management guide* (first assessment 2024).
- Haidilao International Holding, annual reports 2018–2023 and the November 2021 restaurant review announcement.
- F. Herzberg, B. Mausner and B. Snyderman, *The **Motivation** to Work* (1959); A. Maslow, "A Theory of Human Motivation", *Psychological Review* (1943).

# Exercises 2.1·2.2

**2.1** Distinguish between management and leadership. [2]

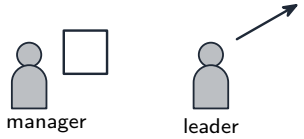



**2.2** Outline **two** hygiene factors in Herzberg's theory. [2]

hygiene motivators

# Exercises 2.1·2.2

**2.1** Distinguish between management and leadership. [2]




**2.1**

management: planning, organizing and controlling resources to achieve objectives; leadership: setting a direction and inspiring and influencing people to follow it

**2.2** Outline **two** hygiene factors in Herzberg's theory. [2]

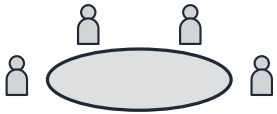
hygiene motivators

**2.2**

any two: pay; working conditions; job security; company rules and policies; relations with supervisors

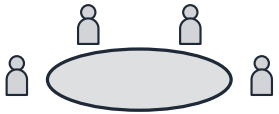
# Exercise 2.3

**2.3** Explain **one** advantage and **one** disadvantage of a democratic leadership style for a software firm. [4]



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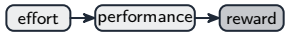
advantage: skilled programmers contribute ideas, so decisions are better and staff feel valued and motivated; disadvantage: consulting takes time, so decisions are slow, a problem when deadlines are tight

# Exercises 2.4·2.5

**2.4** Using Maslow's hierarchy, explain why a pay rise may not motivate a well-paid manager. [3]



**2.5** Using expectancy theory, explain why sales staff may not work harder for a bonus paid only when sales double. [3]



# Exercises 2.4·2.5

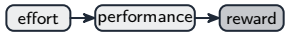
**2.4** Using Maslow's hierarchy, explain why a pay rise may not motivate a well-paid manager. [3]



**2.4**

a well-paid manager's lower needs (physiological and safety) are already met; according to Maslow, a met need no longer motivates; the manager is more likely to be motivated by esteem or self-actualization, e.g. recognition or challenging projects

**2.5** Using expectancy theory, explain why sales staff may not work harder for a bonus paid only when sales double. [3]




**2.5**

expectancy theory: motivation needs effort to lead to performance, and performance to a valued reward; staff may believe doubling sales is impossible, so expectancy is low; so the effort–performance link breaks, and the bonus does not motivate

# Exercise 3.1

**3.1 Pacific Call** runs a call centre with 300 staff. Staff answer calls from a script and are paid an hourly wage. Absence is high and many staff leave within a year. The manager plans to replace the hourly wage with a **piece rate** per call answered.

Discuss whether a piece rate is the best way to improve motivation at Pacific Call. [10]



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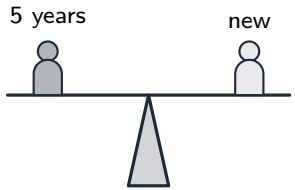
**3.1**

award up to [10]: Taylor: piece rate rewards output, so staff may answer more calls; but staff may rush calls, lowering quality and customer satisfaction; Herzberg: pay is a hygiene factor; it may reduce dissatisfaction but not motivate; scripted, repetitive work lacks motivators such as responsibility and recognition; alternatives: job enrichment, empowerment to solve customer problems, job rotation, team targets; Maslow/Deci and Ryan: social needs, relatedness or autonomy could be met through teams and some freedom from the script; judgement linked to high absence and turnover; conclusion: a mix of fair pay and non-financial rewards

# Exercise 3.2

**3.2** Some call-centre staff discover that new staff earn the same hourly wage as staff with five years' experience.

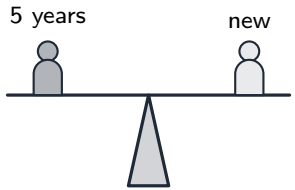
Using equity theory, explain the likely effects on the experienced staff, and suggest how Pacific Call should respond. [6]



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Using equity theory, explain the likely effects on the experienced staff, and suggest how Pacific Call should respond. [6]




**3.2**

equity theory: staff compare their inputs and outputs with those of others; experienced staff put in more skill and experience for the same pay, so they feel unfairly treated; likely effects: lower effort, more absence, or leaving; response: pay scales that reward experience / recognition or promotion paths; explained in context