2.2 Leadership, management and motivation

Name: _____ Class: _____ Date: _____ **Total: 30 marks**

KEY WORDS leadership style • autocratic • hierarchy of needs • hygiene factors • piece rate • job enrichment

Objective

Build the skills to answer exam questions on **management and leadership** and **motivation** : leadership styles, motivation theories, and financial and non-financial rewards.

You must be able to:

- distinguish management from leadership and outline the functions of management
- compare autocratic, paternalistic, democratic, laissez-faire and situational leadership
- explain the motivation theories of Taylor, Maslow, Herzberg, McClelland, and Deci and Ryan
- evaluate financial and non-financial rewards
- explain equity theory and expectancy theory

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1 Key knowledge and worked examples

Leadership and management

Management is about planning, organizing, controlling and getting tasks done through others. **Leadership** is about setting a direction and inspiring and influencing people to follow it. A good manager is not always a good leader.

style	how decisions are made	works well when
autocratic	the leader decides alone and gives orders	quick decisions are needed, staff are unskilled, or in a crisis
paternalistic	the leader decides but considers staff welfare, like a parent	staff value care and security
democratic	the leader consults staff and shares decisions	staff are skilled and the firm needs their ideas
laissez-faire	the leader sets goals and lets staff decide	staff are highly skilled and self-motivated
situational	the leader changes style to suit the task and the staff	situations differ

Motivation theories

- **Taylor:** money motivates; scientific management breaks work into simple tasks and pays by output (**piece rate**).
- **Maslow:** a **hierarchy of needs**: physiological → safety → social → esteem → self-actualization. A lower need must be met before the next one motivates.
- **Herzberg: hygiene factors** (pay, conditions, security, rules) prevent dissatisfaction but do not motivate; **motivators** (achievement, recognition, responsibility, interesting work) create motivation.
- **McClelland:** three learned needs: **achievement**, **affiliation** (to belong) and **power**.
- **Deci and Ryan (self-determination theory):** people are most motivated when they have **autonomy**, **competence** and **relatedness**.

AHL – process theories: equity theory (Adams): staff compare their inputs and rewards with others'; unfairness lowers motivation. **Expectancy theory** (Vroom): motivation = expectancy (effort leads to performance) × instrumentality (performance leads to reward) × valence (the reward is valued); if any link breaks, motivation falls.

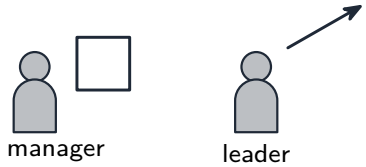
■ **Rewards**

financial	non-financial
salary; wages (time rate or piece rate)	**job enrichment** (more challenging, responsible work)
commission (a share of sales value)	**job rotation** (moving between tasks)
profit-related pay; **performance-related pay**	**job enlargement** (more tasks at the same level)
employee share ownership	**empowerment**; purpose; teamwork
fringe benefits (car, health insurance)	

Answer shapes: name the theory → apply it to the workers in the case → suggest a reward → judge whether it fits.

2 Practice

2.1 Distinguish between management and leadership. [2]

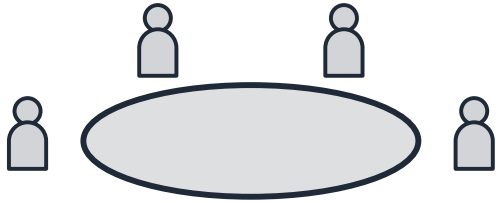


2.2 Outline **two** hygiene factors in Herzberg's theory. [2]

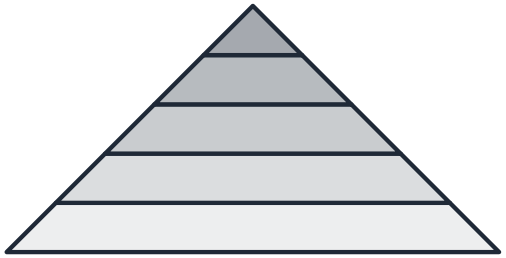


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2.3 Explain **one** advantage and **one** disadvantage of a democratic leadership style for a software firm. [4]



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

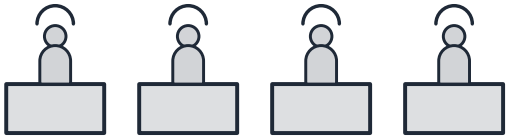


2.5 Using expectancy theory, explain why sales staff may not work harder for a bonus paid only when sales double. [3]



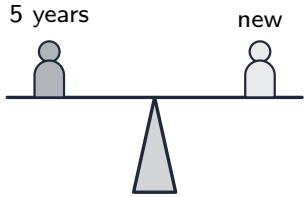
3 Exam-style questions

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]

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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Solutions

Marking: **M1** a correct method, **A1** the correct answer, **B1** an independent mark.

Each answer shows the steps, then the **result**.

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

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

2.3

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

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

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

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

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

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