2.2 Leadership, management and motivation

Name: _____ Class: _____ Date: _____ **Total: 21 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

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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**.

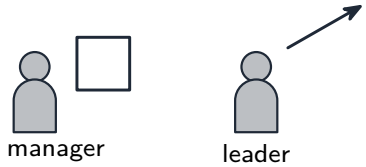
■ **Rewards**

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

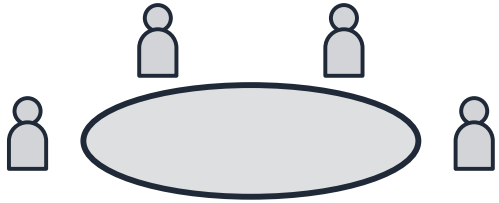
2.1 Distinguish between management and leadership. [2]



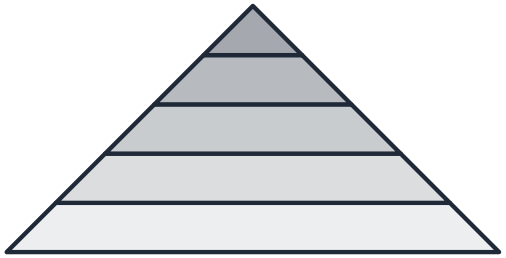
2.2 Outline **two** hygiene factors in Herzberg's theory. [2]



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



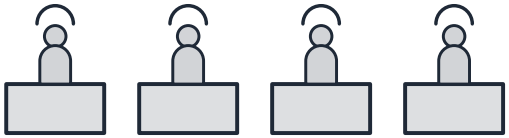
2.4 Using Maslow's hierarchy, explain why a pay rise may not motivate a well-paid manager. [3]



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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]

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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

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

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