

Exercise walk-through

2.1

Motivating employees

IGCSE Business Studies

How a business chooses who to hire

application form

the business's own questions, so every applicant answers the same things

CV

a short summary of a person's education and work history, written by them

the interview

the commonest method – but it favours confident talkers over able workers

tests

aptitude, skills or personality tests, used alongside the interview

internal

cheaper and faster, the person is known – but it leaves another vacancy behind and brings no new ideas

external

a wider choice and fresh ideas – but slower, dearer and riskier

Selection methods exist to **cut the risk of a wrong hire**, because replacing a worker costs far more than testing one.

Who is talking to whom

Internal communication

Internal communication managers and **employees**

is between people inside the business – , department to department.

External communication

External communication banks and government.

goes to customers, **suppliers** ,

One-way communication

One-way communication Fast, with no way to check it was understood.

: a notice, an email, an announcement.

Two-way communication

Two-way communication feedback arrives and misunderstanding is caught.

invites a reply – a meeting, a call – so

The chart

An **organisational chart** where each message is meant to travel.

shows who reports to whom, and so

Choose the channel from the message: one-way for information, two-way for anything that needs agreement.

Recruiting inside or outside

Internal recruitment **Internal recruitment** promotes someone already employed: cheaper, faster, and the person's record is known – but it leaves another vacancy and brings no new ideas.

External recruitment **External recruitment** brings in new skills and outside experience, at the cost of a longer, dearer process and a slower start.

On-the-job training **On-the-job training** teaches beside an experienced worker – cheap and relevant, and it passes on bad habits too.

Employment laws **Employment laws** set the floor: contracts, minimum wage, hours, health and safety, and protection from unfair dismissal.

Every recruitment answer needs the same shape: the benefit, the cost, and which suits *this* business.

Exercises 2.1-2.3

2.1 Define the term *motivation*.

[2]

2.2 Identify two benefits to a business of a well-motivated workforce.

[2]

2.3 State the difference between a *financial* and a *non-financial* method of motivation.[2]

Exercises 2.1-2.3

2.1 Define the term *motivation*. [2]

2.1

- **motivation** is the drive that makes a person **want to work hard** (K)
-

2.2 Identify two benefits to a business of a well-motivated workforce. [2]

2.2

- any **two** of: higher **productivity** / lower **absenteeism** / lower **labour turnover** (K, K)
-

2.3 State the difference between a *financial* and a *non-financial* method of motivation. [2]

2.3

- **financial**: money (wage, bonus) (K)
- **non-financial**: no extra money (job enrichment, teamwork) (K)

Exercises 3.1-3.2

3.1 Identify two financial methods of motivation.

[2]

3.2 Explain two non-financial methods a business could use to motivate workers.

[6]

Exercises 3.1-3.2

3.1 Identify two financial methods of motivation.

[2]

3.1

- any **two** of: wage / time rate / piece rate / salary / commission / bonus / profit sharing / fringe benefits (K, K)

3.2 Explain two non-financial methods a business could use to motivate workers.

[6]

3.2

- for **each** of two methods: K + An, max 3 each
- e.g. **job enrichment**: more challenging tasks → workers feel valued → higher motivation
- e.g. **teamworking**: support each other → feel part of a group → lower absence

Exercise 3.3

3.3 Do you think paying workers more is the best way to motivate them? Justify your answer. [6]

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3.3

- **for pay:** meets basic needs (Maslow); works for low-paid or piece-rate work (Taylor)
- **against:** Herzberg – pay only prevents unhappiness; recognition and interesting work motivate more
- **judgement (Ev):** pay matters most when wages are low; the best mix is financial and non-financial