2014

**Question 1** (10 marks)

Welham Consulting is a large accounting firm with an excellent reputation. Welham Consulting takes pride in hiring the best university graduates. It is also well known for paying its staff high salaries that are above the industry average. Despite this, staff turnover is unacceptably high and the Senior Manager believes that not all staff are working to their full potential.

b.. Explain, with reference to Maslow’s hierarchy of needs, why the high salaries at Welham Consulting do not appear to be motivating staff.

SOLUTION

1b

Maslow’s motivation theory is based on a hierarchy of five needs that include lower level extrinsic needs such as physiological and safety and security needs, as well as higher level intrinsic needs such as social, esteem and self-actualisation needs. Maslow emphasised that all employees have needs and will be motivated to achieve those needs. Once a need has been met, it is no longer a motivator and the employee continues to move up the hierarchy in the order of importance. It is in Welham Consulting giving high salaries to employees that only the first level on the hierarchy, physiological needs, have been satisfied. Maslow’s higher level needs such as esteem and self-actualisation needs do not state high pay as a motivating factor, but rather Welham should implement development opportunities and increased responsibility in order to motivate employees through satisfying their higher level needs on the hierarchy.

**2010**

**Question 6**

Allen’s Advertising Agency has recently employed six graduates. After six months, three of the graduates have resigned due to low job satisfaction.

**a.** Explain Locke’s theory of motivation. Discuss how using this theory might assist the Human Resource Manager to motivate the remaining three graduates.

4 marks

SOLUTIONS

*Locke’s theory of motivation is based on the argument that motivation is derived from the setting of clear, specific, challenging (yet not too overwhelming) goals collaboratively, alongside positive and appropriate feedback in regard to the achievement of the goal. Locke strongly proposed the idea that the goal, especially if it is set by the employee him/herself with the manager will act as a driving force that guides and directs employees, providing them with a clear and motivated sense of direction. Most importantly, the positive feedback from managers will allow the employees to feel valued by the organisation and a high sense of achievement or accomplishment which motivates them to improve their job performance standards for a sustained period of time. Locke’s goal setting theory will be very effective in motivating the remaining three graduates. Firstly, the agency could encourage the graduates to set a clear, specific and challenging goal such as servicing 20 customers a day. By setting this goal, the graduates would be motivated towards increasing better communication skills and efficiency with computers in the agency. If this goal is effectively accomplished, the positive feedback from the manager will effectively improve their job satisfaction due to increased performance standards.*

**b.** In addition to improved job satisfaction, discuss **two** other benefits to Allen’s Advertising Agency that could be achieved through the use of Locke’s motivational theory.

4 marks

SOLUTION

*Two other benefits to Allen’s Advertising Agency that would occur as a result of Locke’s theory include a higher rate of productivity and a lower rate of staff turnover. As Locke’s theory endeavours to motivate staff Allen’s Advertising Agency’s staff will perform at a more optimum level due to their clear directions and targets. This higher level of motivation and performance will result in a higher rate of productivity due to the greater amount of work a staff member is completing as they strive to achieve their goal. In essence, this higher level of motivation will result in a more effective use of human inputs. A lower rate of staff turnover, which refers to the percentage of staff that leave their job annually, will also be achieved by Allen’s Advertising Agency. This goal setting theory can be used to motivate staff, and the clear direction and reward of achievement for staff will result in a higher level of job satisfaction. As employees have been leaving the Agency due to low job satisfaction, Locke’s Goal Setting Theory can be used to satisfy staff at work which will result in less staff leaving and therefore a lower rate of staff turnover .*

**c.** The Human Resource Manager at Allen’s Advertising Agency also considers using reward management (2017 Motivational Strategies). Discuss how reward management (2017 Motivational Strategies) is linked to motivation in an organisation. In your answer identify and explain the way one financial and one non-financial reward could improve motivation.

6 marks

*SOLUTION*

*Recognition and rewards refer to the company’s demonstration of appreciation for the sustained excellence or efforts by an employee by providing them with intrinsic or extrinsic rewards. The major or definite link between reward and motivation so that rewards can often lead to motivation, or the ability of an employee to exert individual effort over a sustained period of time. For instance, the HRM can introduce the performance pay related system, as a financial reward to improve motivation. Performance related pay relates to the idea where the productivity or the outcome of the employees output will reflect their level of bonus pay. This will motivate the graduates to increase their efficiency or productivity levels and work above and beyond their normal efforts since it will lead to a higher financial reward. Alternatively, the HRM may introduce a non financial reward such as ‘employee of the month’ title to motivate the graduates. Firstly, this will allow the workers to feel that the organisation is highly appreciative and highly values their commitment to the organisation. Consequently, this increased feeling of improved job security, loyalty or performance will continuously motivate workers to improve job performance. Secondly, public recognition like the employee of the month title can be a positive example for other employees to follow. It may motivate other workers to increase their work ethic. As it is only natural that workers want to be respected and rewarded by their organisation. Ultimately, both non financial and financial rewards act as a source of motivation to sustain and increase the employee’s commitment to the organisation.*

**2011**

**Question 1**

In the foyer of the head office of Southern Industries hangs a sign that states ‘Employees are our most important resource. If we look after our staff everything else will take care of itself’.

**c.** Compare and contrast Maslow’s and Lawrence and Nohria’s theories of motivation.

4 marks

2013

**Question 3** (19 marks)

Alice Smith has read the biographies of many great business leaders. She would like to follow in the footsteps of these successful leaders. Alice has just taken over as the CEO of The Traveller’s Helpmate, a business that publishes print and online travel guides. Her observation is that her staff are professional, highly educated and independent. In private conversations, some staff have said that they felt underappreciated by the previous CEO as positive feedback was rarely provided.

**d.** Alice is choosing between two approaches to staff motivation – Maslow or Locke.

Evaluate the key aspects of both of these theories of motivation and recommend which theory she should adopt.

6 marks