

Cambridge IGCSE · Business Studies 0450 · Notes

Motivating employees

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What you need to know

By the end of this topic you should be able to:

1. **Say why people go to work**, and explain what it means for an employee to be motivated.
 2. **Explain what a business gains when its workers are well motivated**: more output from each worker, fewer days lost to absence, and fewer people leaving.
 3. **Describe the idea that people have different kinds of needs**, using Maslow's hierarchy as the main example.
 4. **Describe the ideas of Taylor and Herzberg** about what makes people work hard, and use them on a business.
 5. **Describe the ways of rewarding employees with money**: wages, salaries, bonuses, commission and profit sharing, among others.
 6. **Describe ways of motivating employees without extra money**, such as job enrichment, job rotation, teamworking, training and the chance of promotion.
 7. **Choose the best method (or methods) of motivation for a particular business** and give reasons for the choice.
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Understand it

Why people work, and what motivation is

Ask a group of workers why they turn up each morning and you will hear several different answers:

- **Money**, to pay for food, housing and a better standard of living.
- **Security**: a steady income and confidence that the job will still be there next year.
- **Belonging**: being part of a group and making friends at work.
- **Status and respect**: a job title, and being noticed and valued by others.
- **Job satisfaction and challenge**: enjoying the work, learning new skills, reaching their potential, or doing something useful for other people.

Motivation is the drive that makes someone put real effort into a job because they want to, not because a supervisor is standing over them. A motivated employee does more than the minimum. A demotivated one does just enough, is off more often and starts looking at job adverts.

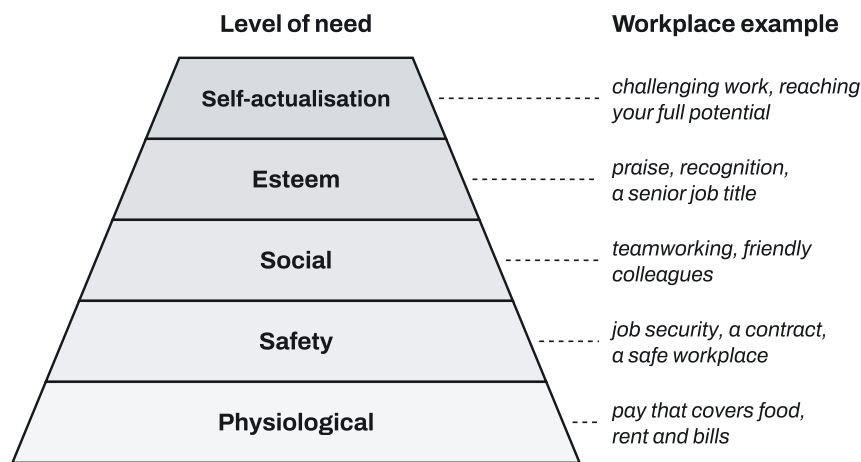
Why a well-motivated workforce matters to the business

Benefit	What happens	Why the business gains
Higher labour productivity	Each worker makes more, or serves more customers, per hour	The same work is done with a smaller wage bill, so each item costs less to make
Less absenteeism	Fewer days when staff are missing without good reason	Schedules hold, customers get what they ordered when promised, and managers don't have to find cover or pay overtime
Lower labour turnover	Fewer workers quit for jobs elsewhere	Money and management time that would go on adverts, interviews and teaching newcomers is saved; skilled, experienced people are kept
Better quality and service	People take care, so fewer faults and complaints	Customers come back and recommend the business
Fewer disputes, readier for change	Less industrial action; staff are open to trying new ways of working	Output isn't lost to strikes, and new machines or methods can be brought in smoothly

Labour turnover measures how fast staff leave and need replacing. **Absenteeism** means staff missing work when they are meant to be there. Both have costs you can point to, which makes them strong material for an answer.

Maslow's hierarchy of needs

Abraham Maslow said every person has five levels of need, stacked like a pyramid. A person works on the lowest unmet level first. Once a level is satisfied it stops driving behaviour, and the level above takes over as the thing that motivates.



A need motivates only once the level below it is met

How a business can meet each level:

- **Physiological** (staying alive: food, water, shelter): pay that is enough to live on, proper breaks.
- **Safety** (security): a permanent contract, safe equipment and buildings, a pension.
- **Social** (belonging and friendship): working in teams, staff outings, a friendly atmosphere.
- **Esteem** (respect and status): praise, awards, a grander job title, promotion.
- **Self-actualisation** (becoming everything you are capable of): creative or stretching work, learning new skills, room to grow into a bigger role.

The message for managers: work out which level an employee has already reached, and offer something aimed at the level **above** it. Someone who already earns plenty won't try much harder for a little more pay; public recognition or a stretching project may work far better. The weaknesses of the theory: people don't all climb in the same order, and a manager can't easily tell which level each person is on.

Taylor: scientific management

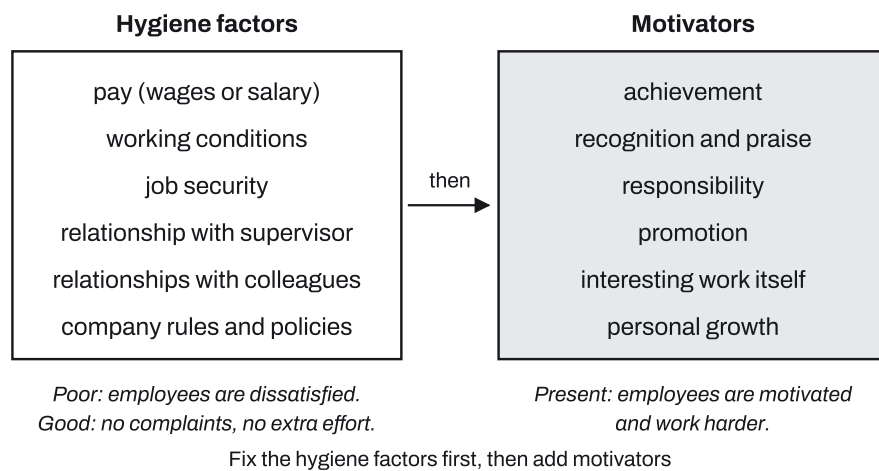
F. W. Taylor studied factory work in the early 1900s. He believed people go to work chiefly **to earn money**, so the way to get more effort is to let them earn more.

- Break each job into small, simple steps and **time each step** to find the fastest method.
- Teach every worker that one best method and supervise them closely.
- **Pay by output (piece rate)**, so the more a worker makes, the more they take home.

Taylor's approach raised output and cut costs in factories. Its weaknesses: the work becomes repetitive and dull, it ignores the social and esteem needs Maslow describes, speed can push quality down, and plenty of people care about more than money. It suits simple manual work that can be counted, much less so service or skilled work.

Herzberg: the two-factor theory

Frederick Herzberg asked employees to describe times they felt good and bad about their jobs. The two lists turned out to contain quite different things.



- **Hygiene factors** surround the job: pay, working conditions, job security, how the supervisor behaves, relationships with co-workers, company rules. When they are bad, people are **dissatisfied**. Putting them right stops the complaints, but it does **not** make anyone work harder. In this theory pay is a hygiene factor, not a motivator.
- **Motivators** come from **doing the job itself**: achievement, recognition, responsibility, the chance of promotion, interesting work and personal growth. These are what lead people to give extra effort.

A manager following Herzberg first removes the causes of dissatisfaction, then designs motivators into the work. Job enrichment is Herzberg's theory put into practice.

Financial rewards

Reward	How it works	For example	Good for
Wage (time rate)	Paid for each hour worked, usually weekly	\$12 an hour for 38 hours: \$456 a week	Jobs where output is hard to measure
Piece rate	Paid for each item produced	\$0.60 a box, 800 boxes: \$480	Simple, countable factory work
Salary	A fixed yearly amount, paid monthly	\$36 000 a year: \$3000 a month	Office, managerial and professional jobs
Bonus	An extra sum for hitting a target or for strong performance	\$200 when the monthly target is met	Most jobs, if the target is clear
Commission	Earnings that rise with how much the worker sells, often added to a basic wage	\$250 plus 3% of \$9000 sales: \$520	Sales staff
Profit sharing	Part of the business's profit is handed out to staff	10% of \$600 000 shared by 40 staff: \$1500 each	Getting everyone to care about the business's success

Fringe benefits (perks) are rewards other than pay, such as a staff discount, free meals, a company car or health insurance; they count as financial rewards because they are worth money. **Share ownership** (giving or selling shares to staff) counts too.

How they compare:

- **Time rate and salary** are simple and give a predictable income (security), but working harder earns nothing extra.
- **Piece rate** ties pay directly to effort. The fastest worker earns most, so care can give way to speed and more faulty items slip through, which means more inspection. Output must be counted for each person, which is awkward when a product passes through many hands, and service work such as nursing or teaching can't be counted in units at all.
- **Bonuses** reward hitting a target. If only some people receive one, others may feel unfairly treated. And once a bonus has been paid for a few years in a row, staff start to treat it as part of normal pay, so a year without one feels like a pay cut.
- **Commission** spurs sales staff to sell more, but it can lead to pushy selling, and earnings swing from month to month.
- **Profit sharing** encourages staff to think like owners, so they notice waste and treat customers well. But the payout comes once a year and depends on things staff can't control, such as raw material prices or a recession, and one person working harder barely changes their own share. It also leaves less profit for the owners or for reinvestment.
- A **staff discount** costs the business little, because it only gives money away when staff decide to buy, and staff who use the products often recommend them to friends. But it is worth a lot to some workers and nothing to those who rarely buy the product, and it leaves the work itself exactly as it was.

The lift that money gives tends to be **short-lived**: after a few months the higher pay feels normal.

Non-financial methods

- **Job enrichment**: redesigning a job so it includes **harder, more responsible tasks**, so the work draws on skills the worker wasn't using before (for example, letting a shop assistant plan the weekly stock order). Workers feel trusted, which is Herzberg's motivators at work. But they may need training first, and not every worker welcomes being accountable for more. It is **not** promotion (there is no new post), and it is not just piling on more tasks of the same level (that is **job enlargement**).
- **Job rotation**: workers **move from one task to another** of a similar level every so often (packing one week, labelling the next). The change of task breaks up the routine, and if someone is off sick a colleague already knows how to do their part. But each worker must first learn every task, which takes training time and can slow output, and the novelty fades once all the tasks in the cycle are familiar. It does **not** mean extra rest breaks.
- **Teamworking**: workers are grouped into teams that share a piece of work and make some decisions together. It meets social needs and gives people a say, but some processes can't be split into team-sized pieces, and some people prefer working alone.

- **Training:** new skills make workers better at the job, show them the business thinks they are worth investing in (esteem and self-actualisation), and prepare them for promotion. It costs money and time, and a better-qualified worker may be tempted away by a higher offer elsewhere.
- **Opportunities for promotion:** the chance to move up to a higher post with more pay, status and responsibility. It gives staff a goal and helps keep ambitious people. But there are only a few senior posts, and those who miss out may lose heart.
- Others that count: **praise and recognition** (an "employee of the month" award costs nothing), and **involving employees in decisions** through delegation, consultation, suggestion schemes or a democratic leadership style.

Choosing the right method

No single method is always best. Fit it to the situation:

- **What is going wrong?** Dull, repetitive work: rotation or enrichment. Staff leaving because rivals pay more: deal with pay first (a hygiene factor). Too many faults: steer away from piece rate; try training or teams.
- **Type of work.** Countable factory output suits piece rate; selling suits commission; skilled or service work suits enrichment, training and recognition.
- **Cost and cash.** A small or new business short of cash may choose praise, rotation or teamworking, which cost little.
- **Size.** A large business has more posts to promote people into and can run training courses; a small one can involve every worker in decisions.
- **What employees value.** Low-paid workers often care most about pay (Taylor, Maslow's lower levels); well-paid professionals usually respond more to responsibility and recognition.

Key facts and formulas

This topic has no formula list in the exam. "Learn it" means you must remember it.

Fact	Status
Motivation: the drive that makes a person want to put effort into a job	Learn it
Benefits of a motivated workforce: higher labour productivity, lower absenteeism, lower labour turnover, better quality	Learn it
Maslow's levels, bottom to top: physiological, safety, social, esteem, self-actualisation	Learn it
Taylor: people work mainly for money; pay by output (piece rate); split jobs into simple timed tasks	Learn it
Herzberg hygiene factors: pay, working conditions, job security, supervision, relationships at work, company policy	Learn it

Fact	Status
Herzberg motivators: achievement, recognition, responsibility, promotion, the work itself, personal growth	Learn it
Financial rewards: wage (time rate), piece rate, salary, bonus, commission, profit sharing, fringe benefits	Learn it
Non-financial methods: job enrichment, job rotation, teamworking, training, opportunities for promotion	Learn it
Pay with commission = basic pay + commission rate × value of sales	Learn it
Pay by piece rate = rate per item × number of items	Learn it

How to do it

We have tagged 33 questions on this topic (2021–2026), on Paper 1 and Paper 2. 3 of them have parts of more than one type, so the counts add to 36.

Question type	Questions
Evaluate motivation methods and recommend the best	10
Benefits of a well-motivated workforce	8
Explain methods of motivation for a given business	5
Recall and classify Maslow, Herzberg and Taylor	5
Reasons why people work	3
Identify, define or outline financial rewards	3
Apply Taylor or Herzberg to a business	2

The mark scheme codes are **k** (knowledge: a correct point), **app** (application: a detail from the case), **an** (analysis: a developed consequence) and **eval** (evaluation: a justified judgement).

Part	Marks	What earns them
Paper 1 (a)–(c) "Identify" or "State"	2 or 4	1 per point; only the first ones are marked
Paper 1 (a) "Define"	2	a full definition; part of one = 1
Paper 1 (c) "Outline"	4	each: k + app
Paper 1 (d) "Explain"	6	each: k + app + an
Paper 1 (e) "Do you think ...?" or "which is best?"	6	2 k + 2 an + 2 eval; general, so no app

Part	Marks	What earns them
Paper 2 (a) "Explain two ..."	8	each: 1 for the point, then up to 3 for a chain of consequences, with the case used at least once
Paper 2 (a) "Explain four ..."	8	each: 1 for the point + 1 for a reason tied to the case
Paper 2 (b) "Consider ... which should it use? Justify"	12	levels: each option argued both ways using the case, then a choice that also says what made the others worse here

1. Evaluate motivation methods and recommend the best (10 questions)

This type comes in two forms.

Paper 2 (b), 12 marks, marked in levels. The case names two or three methods and asks which the business should use. So far: job enrichment and a staff discount on meals ([0450/23/M/J/25 Q4](#)); bonuses, piece rate and job rotation ([0450/21/M/J/25 Q1](#)); piece rate, teamworking and job rotation ([0450/22/O/N/24 Q1](#)); a staff discount, profit sharing and job rotation ([0450/23/O/N/22 Q3](#)); job rotation, promotion opportunities and a wage rise ([0450/23/M/J/22 Q1](#)).

- 1. Argue each method both ways.** Give one or two strengths and one or two weaknesses, and push each a couple of steps further: what the method changes → how workers respond → what that does to this business's costs, output, quality or staff leaving.
- 2. Anchor every point in the case:** how many staff, how goods are made, how much cash there is, what workers are unhappy about. "A bonus gives an incentive" on its own is Level 1. "A bonus paid only when every parcel in a team's van arrives on time could cause rows inside the team, because one slow driver would cost all of them their payment" is developed and applied.
- 3. Recommendation:** pick one, give the reason from the case, and then explain what makes **each of the others** a worse fit for this business. Any choice can reach Level 3 (9–12) if the argument holds up.

Useful case links: a business short of cash may not afford a pay rise or bonus; skilled staff may want responsibility more than variety; a quality problem is an argument against piece rate; if staff are leaving over low pay, that is a hygiene factor to fix before anything else.

Paper 1 (e), 6 marks, general (no application marks): "Is job rotation the best method for a large business?" ([0450/12/M/J/25 Q2](#)); "Is job enrichment better than profit sharing?" ([0450/11/O/N/22 Q3](#)); "Is paying bonuses the best way for a small business?" ([0450/12/F/M/21 Q3](#) part (e)); "Explain two ways a service business could motivate staff; which is best?" ([0450/12/F/M/23 Q4](#)); two non-financial methods for a small service business, which is better ([0450/13/O/N/21 Q2](#)).

- 1. Name the method in the question** (k), then **show the mechanism** (an): what changes for the worker and what they then do differently. "It motivates them" repeats the question and earns nothing. For example: "Teamworking puts staff into small groups that share a task (k); people who feel part of a group don't like letting their colleagues down, so fewer of them take days off (an)."
- 2. Name a second method, or a drawback** (k) → its consequence (an): "Praise from a manager (k) costs nothing, so even a business with very little cash can use it every day (an)."

3. **Decide, and make the reason a comparison** (eval × 2). For example: "For a small business, praise is the better choice: teams need enough people to form groups and reorganising work takes time, whereas praise can start tomorrow (eval). Praise loses its force if it is handed out for everything, so it should be kept for genuinely good work; used that way it can keep working for years (eval)."

Use the proper name of every method. Don't add case details: no marks are available for them.

2. Benefits of a well-motivated workforce (8 questions)

Paper 2 (a), 8 marks: "Explain two benefits to the business of a well-motivated workforce" (0450/23/M/J/24 Q4, 0450/22/F/M/21 Q3) or "Explain two reasons why the business wants to keep labour turnover low" (0450/23/O/N/24 Q2).

1. **Name the benefit** (1): higher productivity, lower absenteeism, lower labour turnover, better quality, fewer disputes.
2. **Build a chain of three consequences**, each a new step, ending in costs, revenue or reputation. One step must use a detail from the case (the number of workers, the product, a problem in the case).
3. Use a **different** benefit and a **different** case detail for the second one.

For lower labour turnover, a chain could run: fewer of the workshop's 25 joiners leave (app) → no vacancy to advertise and no interview days for the manager (1) → no new starter learning the job slowly and spoiling materials (1) → so the cost of each item made stays lower (1). For lower absenteeism: every job booked for the day has someone to do it (1) → nobody is pulled off their own work or paid overtime to cover (1) → deliveries leave on the promised date, so customers order again (1).

Paper 1, 2 or 4 marks: "Identify two benefits" (0450/12/F/M/26 Q2 part (b)) needs two different benefits, 1 mark each. "Outline two benefits" (0450/13/O/N/23 Q2 part (c); 0450/12/O/N/21 Q4 part (c)) needs a benefit (k) + a case detail (app) for each.

Variants:

- **Reverse question:** "Outline two effects of a high rate of labour turnover" (0450/12/F/M/21 Q4 part (c)): more spent on recruiting and training, work left undone while posts are empty, newcomers making mistakes. Write about effects on the business, not about why people quit.
- **Paper 2 (b), 12 marks:** weigh two named benefits, such as reduced absenteeism against lower labour turnover, and decide which matters more (0450/22/M/J/25 Q1 part (b)). Discuss **only benefits**, not how to achieve them and not drawbacks. Develop each in the case's situation, then decide by asking which one hurts this business more when it goes wrong, using the case facts. If customers expect orders on a fixed date and teams are small, a day's absence is felt by customers at once; if the jobs need long training or rare skills, each leaver is the bigger loss. Say why the other benefit matters less here.

3. Explain methods of motivation for a given business (5 questions)

Paper 1 (d), 6 marks ("Explain two non-financial methods of motivation the bakery could use", 0450/12/F/M/24 Q1 part (d); "two methods to improve motivation", 0450/13/O/N/23 Q2 part (d)):

1. **Name the method** (k). For "non-financial", no pay, bonus or perk.
2. **Say how it lifts motivation** (an), in terms of what the worker gets: something to aim for (promotion chances); the boost of being noticed, which costs the business nothing (praise or an award); friends and support at work (teamworking); a skill they didn't have before, showing the business is investing in them (training); a break from repeating one task all day (job rotation); a bigger say over how their job is done (job enrichment).
3. **Add a case detail** (app) to each: the product, the number of employees, the business's size.

Variants:

- **One advantage and one disadvantage** of a named method (0450/12/M/J/21 Q3 part (d), job rotation): advantage + consequence + case; disadvantage + consequence + case. Develop one of each, not a list.
- **Ways to involve employees in decisions** (0450/11/O/N/21 Q3 part (d)): delegation, teamworking, suggestion schemes, consultation meetings, a democratic leadership style, each with how it motivates.
- **Paper 2 (a), four ways** to motivate a group of workers (0450/21/O/N/21 Q3 part (a)): four different methods, each with one reason tied to the case (for example, the workers' complaint that their jobs are boring).

4. Recall and classify Maslow, Herzberg and Taylor (5 questions)

Short Paper 1 marks; only the first answers are marked.

- **Hygiene factor or motivator?** (0450/13/M/J/25 Q4 part (c)): check the two lists above. Pay, working conditions, job security, relationships with the supervisor or colleagues and company rules are **hygiene factors**; achievement, recognition, responsibility, promotion and the work itself are **motivators**.
- **Name two hygiene factors** (0450/12/O/N/23 Q4 part (b)).
- **Name two levels of Maslow's hierarchy** (0450/11/M/J/23 Q3 part (b)): use the exact names, not "basic needs", "psychological" or examples like "job security".
- **Which Maslow level does this method meet?** (0450/12/O/N/21 Q4 part (b)): an award or praise → esteem; team events → social; a permanent contract → safety; a challenging project → self-actualisation.
- **Name two motivation theories** (0450/12/F/M/22 Q4 part (b)): Maslow, Taylor, Herzberg. Not methods like "bonus".

5. Reasons why people work (3 questions)

Identify two, 2 marks (0450/11/O/N/24 Q1 part (b), 0450/13/O/N/22 Q3 part (a)): money or a better standard of living; security; being part of a group; status or recognition; job satisfaction; reaching your potential or learning new skills; helping others. If the question says "other than financial" (0450/12/M/J/22 Q2 part (b)), leave out money. Vague answers such as "something to do" or "to stop being bored" score nothing.

6. Identify, define or outline financial rewards (3 questions)

- **Identify four financial rewards** (0450/13/O/N/25 Q4 part (c)): four different ones from the table: time rate, piece rate, salary, bonus, commission, profit sharing, fringe benefits, share ownership.

- **Define commission (0450/13/O/N/24 Q4 part (a)):** money a worker earns that goes up with what they sell, measured by the number of items or their value (2). "Money for selling" = 1.
- **Outline two financial rewards** the business could use (0450/12/M/J/22 Q2 part (c)): reward (k) + case detail (app), such as piece rate for each item made in a factory. Promotion is non-financial, so it scores nothing here.

7. Apply Taylor or Herzberg to a business (2 questions)

Paper 1 (c), 4 marks ("Outline two ways the hospital operator could use Herzberg's ideas", 0450/11/M/J/22 Q4 part (c)): use **motivators**, each with a case detail: more responsibility for skilled staff, recognition of good work, chances of promotion in a large organisation, more interesting work. Pay rises and better conditions are hygiene factors and earn nothing on their own.

Paper 2 (b), 12 marks ("How could Taylor and Herzberg help improve the motivation of a group of workers? Which theory is more useful?", 0450/23/O/N/21 Q2 part (b)):

1. **Taylor for this job:** what paying by output would look like here, why it could raise output, and its limits (quality, boredom, money motivates only for a while).
2. **Herzberg for this job:** which hygiene factors may be causing dissatisfaction now, which motivators could be added, and the limits (some jobs are hard to make more interesting; motivators take time and money).
3. **Decide:** Taylor suits simple, countable, low-paid work where pay is the main complaint; Herzberg suits jobs where poor conditions or lack of recognition are the problem. Say why the other theory is less useful for these workers.

Worked examples

Example 1

Lindqvist Opticians has 3 shops and 14 sales assistants. Each assistant is paid a basic wage of \$320 a week plus 4% commission on the value of the glasses they sell.

- (a) Last week Maya sold glasses worth \$5500. Calculate her pay for the week. [2]
- (b) Maya's basic wage alone does not cover her rent. Explain which level of Maslow's hierarchy her commission helps her meet. [2]
- (c) The manager wants to motivate Maya further. He is choosing between a larger staff discount on glasses and asking her to train each new assistant. Using Herzberg's theory, explain which is more likely to motivate her. [3]
- (a) $\text{Commission} = 4\% \times 5500 = 220$, so \$220 (M1). $\text{Pay} = 320 + 220 = 540$, so **\$540** (A1).
- (b) **Physiological** needs (1): the commission lifts her income enough to pay for somewhere to live, the most basic need, which must be met before higher needs can motivate her (1).

(c) A bigger discount is a money reward, which Herzberg puts among the **hygiene factors**: it might stop her feeling underpaid, but it won't lead her to try harder (1). Training new assistants hands her **responsibility and recognition**, which are **motivators** (1), so it is the better choice: being trusted with something that matters to the shop gives her a reason to put in more effort (1).

Example 2

Westgate Contact is a call centre with 90 advisers who answer customer questions for an energy company. The advisers say their work is repetitive. Many have left in the last year.

Explain two ways Westgate Contact could benefit from introducing job enrichment. [6]

Way 1. Advisers would be trusted with harder work, such as settling complaints themselves instead of passing them up the line (k). Seeing a problem through from start to finish breaks the routine and gives a sense of achievement, so fewer advisers would want to quit (an), and Westgate would spend less replacing the advisers who have been leaving (app).

Way 2. Advisers use skills the job never asked of them before and feel trusted (k). People who feel trusted tend to take more care, so more callers' problems are fixed on the first call (an), and the energy company's customers get a better service from Westgate's 90 advisers (app).

Each way earns $k + an + app$. The two ways use different case details and different consequences.

Example 3

Do you think commission is the best way for a retailer to motivate its sales staff? Justify your answer. [6]

Commission pays staff according to the value of what they sell (k), so each extra sale raises their own pay and they have a reason to help every customer who comes in (an). Opportunities for promotion are another method (k): staff who know that the best performers can become supervisors work to build skills and a good record over many months, not just this week's sales (an).

Commission is the better choice for a retailer, because it rewards exactly the task that brings in revenue, and in a quiet month the business pays out less (eval). The risk is pushy selling that puts customers off, so it works best on top of a basic wage and with a promotion ladder for staff who want to progress (eval).

A decision for promotion, justified by the damage pushy selling does to repeat custom, would earn both **eval** marks too. There is no case business, so there are no application marks.

Example 4

Swiftmove is a removals company with 48 removal workers who work in teams of four. They pack, load and drive customers' furniture to new homes. Last year 12 workers left, and it costs Swiftmove about \$1500 to recruit and train each replacement. Customers have complained about damaged furniture. Swiftmove made a small profit last year and has little spare cash.

Consider the following three methods Swiftmove could use to motivate its removal workers. Which method should it use? Justify your answer. [12]

- A monthly bonus of \$50 for each worker whose team has no damage claims
- A training course in packing and handling, costing \$450 per worker
- Job rotation between packing, loading and driving

Replacing leavers cost about $12 \times 1500 = 18\,000$, so \$18 000 last year; 12 of 48 is a quarter of the workforce.

Bonus. A reward tied to damage-free moves gives each team a reason to wrap and carry furniture carefully, which tackles the complaints directly. Because the whole team earns it or loses it together, members may check each other's work. But if every worker earned it all year, the cost would be $48 \times 50 \times 12 = 28\,800$, so \$28 800, which Swiftmove's small profit and cash may not cover. One careless worker would cost the other three their bonus, which could cause arguments and even more leavers.

Training. Learning to pack and handle furniture properly cuts damage at its cause, so fewer claims and a better reputation. Workers also feel the business is investing in them, which meets esteem needs and may make them more likely to stay. It costs $48 \times 450 = 21\,600$, so \$21 600, but only once, not every month. The risk is that newly skilled workers leave for better-paid jobs elsewhere.

Job rotation. Swapping between packing, loading and driving breaks up a physical, repetitive day, and each team keeps going when one member is away because the others know every role. Its only cost is the slower work while people learn. But drivers need a licence, so not everyone can rotate into every task, and moving people onto tasks they are less practised at could mean **more** damage while they learn.

Recommendation. Swiftmove should choose training. It deals with the main problem, damaged furniture, at its source, and it is a one-off cost of \$21 600, not a yearly one. As cash is short, it should train one team of four a month, starting with the teams with the most damage claims: $4 \times 450 = 1800$, so \$1800 a month, close to the $18\,000 \div 12 = 1500$, so \$1500 a month, that leavers cost now, and that cost should fall if trained staff feel valued and stay. The bonus loses because it would cost \$28 800 **every year** and could split teams; job rotation loses because it does nothing about damaged furniture and could make it worse while workers learn new tasks.

This discusses **all three** methods in the case's situation, with the figures worked out, and ends with a choice that explains why the other two lose: Level 3 (9–12). A recommendation for the bonus, justified by how directly it targets damage, would score as well.

Common mistakes

- **Calling pay a motivator.** In Herzberg's theory, pay, working conditions and the supervisor are hygiene factors. Examiners see this mix-up every time the theory is tested.
- **Answering a Herzberg question with Maslow, or the other way round.** "Use Herzberg's ideas" wants motivators such as responsibility or recognition, not "meet their esteem needs" and not "pay more".
- **Vague Maslow levels.** "Basic needs", "psychological" or "self-fulfilment" are not credited. Use the five exact names.

- **Giving methods when theories are asked for.** "Identify two motivational theories" wants Maslow, Taylor or Herzberg, not "bonus".
- **Describing a method without naming it.** "Give them more interesting tasks" should be named "job enrichment"; marks go to the term.
- **Saying "it will motivate them" as the explanation.** That repeats the question. Say **how**: variety, responsibility, recognition, a link between pay and effort.
- **Mixing up job rotation, job enrichment and promotion.** Rotation is swapping between similar tasks; enrichment is harder, more responsible tasks in the same job; promotion is moving to a higher post. Job rotation is not extra rest breaks.
- **Counting promotion as a financial reward.** It is non-financial, even though it can lead to more pay.
- **Confusing bonuses with profit sharing.** A bonus is earned by reaching a target; profit sharing hands out part of the business's profit.
- **Suggesting piece rate for a service business.** A hairdresser's or a restaurant's output can't be counted fairly, and rushing spoils the service.
- **Writing about how to cut labour turnover when asked for its benefits,** or adding drawbacks when only benefits are asked.
- **Mentioning production for a retailer or service business.** A shop sells more, serves customers faster, or gives better service; it doesn't "produce more".
- **Repeating points as the recommendation.** Evaluation must compare: why this method, and why not the others.
- **Adding case details in a general (e) question.** There are no application marks, so the time is wasted.

How to get the marks

- **Identify:** short, different answers; only the first two (or four) are marked. Use the proper terms: "self-actualisation", "hygiene factor", "piece rate".
- **Define:** one sentence with the key idea: commission **rises with what the worker sells**; job rotation is **moving between tasks**; job enrichment is **harder, more responsible tasks in the same job**.
- **Outline** (4 marks): a correct point + a case detail that fits it.
- **Explain** (Paper 1 (d), 6 marks): k + app + an each. The analysis is a consequence for the business ("so fewer staff leave", "so fewer mistakes are made").
- **Paper 2 (a)** (8 marks): for "two", develop each point in three steps, one of which uses the case; for "four", one applied reason each. Use a different case detail each time.
- **Paper 1 (e)** (6 marks): two developed points (the method named and another method or a drawback), then a decision with a comparing reason. Either decision can score full marks.
- **Paper 2 (b)** (12 marks): discuss **every** option named, its strengths and weaknesses, in the case's situation and with its figures; then choose, and show what makes the others worse here. A recommendation that only repeats earlier points stays in Level 2.
- **Read what is being asked:** benefits **to the business** (not to employees); methods of motivation (not benefits of motivation); financial or non-financial; which theory.

Quick check

1. A factory manager says: "I raised everyone's pay by 8% last year, but output per worker hasn't changed at all." Use Herzberg's theory to explain why, and suggest one change that is more likely to raise output.
2. A phone shop offers new sales staff a choice of pay. Plan A: \$400 a week. Plan B: \$250 a week plus 5% commission on the value of their sales. (a) At what weekly sales value do the two plans pay the same? (b) Which plan pays more to an assistant who sells \$4000 a week, and by how much?
3. Put these in the order Maslow says people seek them, lowest first, and name each level: being trusted to design a new product range; a contract that can't be ended without notice; enough pay for food and rent; a team lunch every Friday; a "best salesperson of the year" award.
4. A garden centre had 50 staff last year, and 15 of them left. Each leaver cost \$900 to replace. (a) What percentage of the staff left? (b) What did replacing them cost? (c) Give one cost of losing these staff that does not appear in that figure.
5. Recommend one method of motivation for each business and give a reason: (a) a car wash where each worker does the same single step on every car all day; (b) a software company whose experienced programmers say their ideas are ignored; (c) a car dealer that wants its sales team to sell more cars.

Answers

1. Pay is a **hygiene factor**: raising it removes complaints about pay but doesn't make people work harder. To raise output the manager needs a **motivator**, for example giving each worker responsibility for checking and improving their own section of the line (job enrichment), or recognising the best team each month.
2. (a) $250 + 0.05S = 400$, so $0.05S = 150$ and $S = 3000$: the plans pay the same at **\$3000** of sales. (b) Plan B: $250 + 0.05 \times 4000 = 450$, so \$450, against \$400 for Plan A. **Plan B** pays **\$50** more.
3. Enough pay for food and rent (**physiological**); the contract (**safety**); the team lunch (**social**); the award (**esteem**); designing a new range (**self-actualisation**).
4. (a) $15 \div 50 \times 100 = 30$, so **30%**. (b) $15 \times 900 = 13\,500$, so **\$13 500**. (c) For example: customers get slower, less expert advice while new staff learn about the plants, so some may shop elsewhere; or managers spend time interviewing instead of running the garden centre.
5. (a) **Job rotation**: moving between washing, drying and valeting breaks up a repetitive day, and anyone can cover any step. (b) **Job enrichment** or involving them in decisions (for example a say in which projects to take on): these give responsibility and recognition, Herzberg's motivators, which matter more to well-paid skilled staff than extra money. (c) **Commission**: each car sold raises the salesperson's own pay, so they have a direct reason to sell more.

Past questions to try

- **0450/23/O/N/22 Q3**: part (b), a staff discount, profit sharing or job rotation for a dairy.
- **0450/23/O/N/21 Q2**: part (b), Taylor or Herzberg for airport cleaners.
- **0450/11/O/N/22 Q3**: part (e), job enrichment or profit sharing.
- **0450/23/M/J/24 Q4**: part (a), two benefits of a well-motivated workforce.