

## Unit 2: Human Resources Management - Review Questions

The Board of Directors of the firm Day News (a firm which manufactures newspaper) has recently sent its four senior managers on a training course to help find solutions for their problems. They complain that workers are not motivated and that they cannot achieve short-term consensus for any change they propose. At the training course, they were told the following:

- mission statements help different people in a firm share a vision
- management should introduce change in spite of experiencing resistance
- one of the main causes of conflict in firms is poor communication

1. Give **two** ways in which communications could be improved at Day News.

**(Total 2 marks)**

2. Give **two** reasons to explain the cause of the workers' lack of motivation and give a possible solution for each **one**.

**(Total 5 marks)**

In 1985, two entrepreneurs, Richard Sinclair and Joe Enfente, set up Microphone, a mobile phone company. They both believed that employee performance should be measured and bonuses paid to reflect customer satisfaction and sales. They introduced customer satisfaction questionnaires and hired a team of pretend shoppers to check on service standards. However, after three years the two founders had a major disagreement over management style and Joe Enfente left the business to set up a rival company, 'Clear Sounds'. By 1999, both companies were in the top five sellers in their country and thinking of selling shares to the public. A newspaper report on the two men highlighted the differences in management style.

"Richard Sinclair believes in staff involvement in decision making. Employees are encouraged to make suggestions which are rewarded if implemented. Excellent performers receive large bonuses and loyalty awards after five years' service. Free holidays are provided to the top ten employees in the firm. Richard regularly visits stores and personally presents awards. Communication is enhanced through company videos and newsletters. A praise culture is encouraged. Joe Enfente, in contrast, rules his business through fear with two-way cameras linked to head office and computer systems which record sales per employee and by store. He appoints store managers similar to himself. Employees do not contribute to decision making, but many say that they respect Joe's business sense and the opportunity to share in profits and earn high bonuses keeps them working for Clear Sounds."

3. Compare and contrast the management styles of Richard Sinclair and Joe Enfente.

**(Total 3 marks)**

4. Using your knowledge of leadership and motivation theory, assess how the two different styles of leadership may influence motivation of the employees of Microphone and Clear Sounds.

**(Total 10 marks)**