Motivation

Activity 9.1 (page 160)

1. Examine the similarities and differences you consider exist between the research findings of Mayo and those of Maslow. [8]

<table>
<thead>
<tr>
<th>Similarities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mayo</strong></td>
<td><strong>Maslow</strong></td>
</tr>
<tr>
<td>• The importance of teamwork was stressed.</td>
<td>• The role of social needs was recognised in the hierarchy of needs.</td>
</tr>
<tr>
<td>• Money is not the only motivator. Employees are more motivated by non-financial factors.</td>
<td>• Money only motivates until physiological needs are met.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Differences</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mayo</strong></td>
<td><strong>Maslow</strong></td>
</tr>
<tr>
<td>• Working conditions are not seen as important; what matters is that interest is shown in workers.</td>
<td>• Basic needs should be fulfilled before a person can move to the next level. Thus, safety needs are important until they are fulfilled.</td>
</tr>
<tr>
<td>• The focus is on human relations rather than a hierarchy of needs.</td>
<td>• Each need is dependent on the levels below. For example, if an employee motivated by the opportunity to take responsibility finds he may lose his job, then the whole hierarchy collapses and safety needs will dominate again.</td>
</tr>
<tr>
<td>• Mayo focuses on the social needs of employees.</td>
<td>• Maslow’s hierarchy focuses on the psychological needs of individuals.</td>
</tr>
<tr>
<td>• This approach does not focus on the individual, but on the role of teams.</td>
<td>• The approach to motivating workers is individualistic. Motivation lies within each individual employee.</td>
</tr>
</tbody>
</table>

2. Discuss how the Hawthorne effect or Maslow’s hierarchy of human needs could be used by the manager of a clothing factory to improve motivation of workers. [10]

Hawthorne effect:
• The ‘Hawthorne effect’ is that it is the interest shown in workers that promotes improvements in productivity rather than changes in working conditions.
• A personnel department should be established to ensure that social needs are met at work wherever possible.
Sporting and social facilities should be organised to develop informal groups amongst employees.

Works outings should be organised to develop a feeling of belonging to the organisation.

Workers should be organised into teams of machinists, pattern cutters, etc. Group working can lead to the development of team spirit and, therefore, lead to an increase in productivity. A feeling of team spirit might be developed by referring to all employees – workers and directors alike – as associates, a practice used at Honda to emphasise that everyone is part of a team and has common goals.

More participation in decision making should be allowed. Management should consult with workers about changes in working practices and methods. Close communication with workers will boost productivity.

Give workers some control over their working lives. For example, allow them to decide when to take breaks. This will make workers feel more important and trusted, thus increasing motivation.

The problems with Mayo’s theory are that:

- Workers may not share the same goals as managers.
- Management efforts may be seen as simply an attempt to manipulate workers into raising productivity.
- Communication between workers and managers may not break down barriers.

Maslow:

- This focuses on human needs and suggests that workers will be motivated to satisfy needs. Needs are organised into a hierarchy with physiological needs at the bottom and self-actualisation at the top. Needs only motivate workers until they are met. Once a need is met, it is the next level that an individual will seek to satisfy.
- To motivate the clothing workers, the manager must identify the level of need of each individual. The clothing factory can offer different incentives to motivate workers such as:
  - reasonable pay levels and working conditions to fulfil physiological needs
  - job security and fair treatment to fulfil safety needs
  - teamwork opportunities to fulfil love and belonging needs
  - a structured organisation that allows career development and promotion to fulfil esteem needs, e.g. supervisor roles could be available
  - opportunities to develop skills through training to fulfil self-actualisation.

The problem with applying Maslow’s theory is that:

- Some workers may not fit the hierarchy. There will be those who are not interested in praise and challenge; their interest may be purely to do with monetary reward.
- Workers may not seek all needs through the workplace. Other needs may be met through leisure activities.
- Is it realistic to actually match incentives to the needs of each and every worker? To do so might require too much time to discuss issues with every individual in the factory.
Activity 9.2 (page 161): Three workers discuss the work they do in their different businesses

1 Assess which level of Maslow’s hierarchy each of these workers seems to be on at present. Explain your answer. [6]

Maria’s esteem needs appear to have been met as she does feel appreciated by the firms she works for.

Asif’s social needs are met through the group of friends he works with. Esteem needs are not met as he does not feel appreciated.

Imran is keen to find a more permanent job. This indicates that his safety needs have not been met. Therefore, he is on the physical needs level of the hierarchy.

2 Discuss Asif’s current level of motivation and how it could be increased by referring to Herzberg’s ‘hygiene factors’ and ‘motivators’. [9]

Herzberg’s two-factor theory identifies two sets of factors related to motivation. Firstly, there are the hygiene factors that have the potential to cause dissatisfaction and are, therefore, related to labour turnover. However, hygiene factors do not motivate employees; these factors include job security, wages and conditions at work. Motivators are those factors that actually motivate the employee and these relate to responsibility, opportunities for promotion and achievement.

At the moment, many hygiene factors are present for Asif in the shop; he has a good relationship with his colleagues and is pleased with his pay.

There are some simple ways in which Asif might be motivated; these include:

- Increase his level of responsibility – e.g. he could be given the task of arranging the shop displays. Responsibility for cashing-up at the end of the day could also be given.
- Provide training to enhance his skills level – training would also prepare Asif for the possibility of promotion, another motivator according to Herzberg.
- Job enrichment – this involves making a job more challenging or rewarding. This could involve the shop providing Asif with a range of roles and activities within his job. Asif could mentor newer workers or be involved in induction training.
- Empowerment – this could include giving Asif the right to take decisions that affect his working life. For example, he could have the right to make decisions over how and when work is done. How practical would this be in the context of a shop? Perhaps a form of quality circles could be used to involve employees in decisions regarding the shop.
- Job rotation – this could be used to give more variety to Asif’s work. However, switching between a variety of boring tasks does not necessarily make the job more interesting than performing one boring task.
- Offering a clear career path so that there are opportunities for promotion – it appears that Asif would like responsibility for deciding what stock should be sold. Asif would need to gain experience and might need training before he could be given such a role.
Activity 9.3 (page 163): What people want from work

1 Analyse how these two sets of views can be applied to the work of Herzberg or Vroom or McClelland. [8]

Herzberg identified factors that have the potential to motivate workers, and these are, broadly, the same factors identified by Bob Nelson.

<table>
<thead>
<tr>
<th>Herzberg’s motivators</th>
<th>Bob Nelson</th>
</tr>
</thead>
<tbody>
<tr>
<td>sense of achievement</td>
<td>recognition for achievement</td>
</tr>
<tr>
<td>recognition of effort</td>
<td>receive feedback/recognition for achievement</td>
</tr>
<tr>
<td>responsibility</td>
<td>responsibility for a well-defined task; control over work</td>
</tr>
<tr>
<td>opportunities for promotion</td>
<td>opportunity for growth and development</td>
</tr>
<tr>
<td>opportunities for self-improvement</td>
<td>opportunity for growth and development</td>
</tr>
<tr>
<td>interesting work</td>
<td>job enrichment</td>
</tr>
</tbody>
</table>

The views of Susan Heathfield are very similar to those of Bob Nelson as she also stresses recognition and involvement in decisions.

Vroom believed that:
- Individuals have different goals.
- People only act to achieve their goals if they believe there is a chance of success.
- The value of the goal to the individual affects motivation.

This relates to Nelson’s view that people want leadership to provide clear expectations, structure and appropriate rewards if these expectations are met.

McClelland identified three types of motivational need found, in varying degrees, in workers and managers:
- Achievement motivation: feedback needed and job advancement important – this relates to Nelson’s belief that people want the opportunity for growth and development.
- Authority motivation: the desire to control others and to be influential – this relates to the desire to be given responsibility identified by Nelson.
- Affiliation motivation: the need to be liked and held in high regard – Nelson identifies team working and recognition for achievement.
Discuss how the views contained in the extract above could be applied in practice to:

- a restaurant
- a food shop
- teaching staff at a school or college. [14]

<table>
<thead>
<tr>
<th>Business</th>
<th>Application</th>
</tr>
</thead>
</table>
| Restaurant  | • consultation about menus  
               • training – opportunity to gain relevant certificates for food hygiene, etc.  
               • job enrichment – give employees a challenge and responsibility for executing an event, e.g. organising a festival celebration |
| Food shop   | • responsibility for layout of shop  
               • consultation regarding stock  
               • responsibility for ordering stock |
| Teaching staff | • clear career path identified in organisational structure, e.g. head of department, head of faculty, vice principal, principal  
               • involvement in decision making through consultation and staff meetings  
               • teamwork in departments  
               • freedom to deliver course content without interference from management  
               • professional development training  
               • appraisal systems |

**Evaluation may consider:**
How extensively these views are applied in practice will depend on leadership style and management culture.

**Activity 9.4** – answer provided on Student’s CD-ROM.

**Activity 9.5 (page 169): Different jobs, different pay systems**

1. *Explain the different pay systems operated by these two businesses for these jobs.* [4]

   Driver – the payment system is a straightforward hourly wage rate. The driver will be paid $5 for each hour of work completed.

   Human resources director – this is a salaried position. The director will receive a salary of at least $100,000 per annum; this is not dependent on the number of hours worked. The salary is supported by a range of fringe benefits as well, including a car and healthcare.

2. *Why do you think that these pay systems are different?* [4]

   The pay systems are different to reflect the nature of the work being offered and its relative importance to the business.
   - Salaries are common for managerial staff.
   - Managerial staff are expected to work as many hours as are required to fulfil their responsibilities.
   - Fringe benefits may be necessary to attract suitable candidates for the job. As it is a senior management position, applicants would expect a car and health insurance.
   - Hourly wage rates are typically paid for manual and non-management roles.
3 Why do you think that the higher-paid post also carries a range of other benefits? [4]

Answers may note:
• Higher-quality candidates may be attracted to the post.
• It is normal for senior managerial posts to offer substantial fringe benefits.
• There may be tax advantages to the business in offering fringe benefits rather than higher salaries.
• The job role has a high level of status. Fringe benefits reflect this status.

Activity 9.6 (page 172): Quality circles in operation

1 Explain what is meant by a ‘quality circle’. [2]

Quality circles involve a group of workers meeting at regular intervals to discuss problems relating to operations. Meetings are typically:
• voluntary
• in normal working time
• under the leadership of their supervisor
• seeking to recommend solutions to management.

2 Why are they more widely used in some industries than others? [4]

• Some industries employ a large number of part-time and seasonal workers. Thus, quality circles may be less prevalent as in those industries there is not a core of permanent full-time employees. Seasonal workers may not demonstrate much commitment to the business and would, therefore, be less interested in giving up their time to be involved in meetings.
• Quality circles may be particularly relevant in industries where firms tend to be large and there is a greater chance of workers being alienated from the organisation.

3 Examine the claimed benefits and drawbacks of quality circles. Use your findings to recommend to a large manufacturing firm in your country whether it should introduce quality circles. [14]

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Drawbacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Employee involvement – quality circles encourage active participation of workers as they become involved in problem-solving issues.</td>
<td>• Management resistance – managers may not wish to allow workers more responsibility. They will, therefore, ignore recommendations.</td>
</tr>
<tr>
<td>• Communication – as they involve teamwork, they promote communication between employees and the sharing of ideas and knowledge.</td>
<td>• Lack of interest – not all workers wish to solve operational problems. They may simply work for money and not wish to be challenged.</td>
</tr>
<tr>
<td>• Problem solving – the aim of meetings is to deal with and solve problems that arise on the shop floor. Quality circles make use of the knowledge that employees have of the production line.</td>
<td>• Time constraints – meetings take up time and this constrains how regular meetings can be.</td>
</tr>
<tr>
<td>• Employee development – quality circles help develop the skills of workers and, therefore, make workers more valuable to the business.</td>
<td>• Inadequate training – workers will need training in order to make meetings successful and to encourage them to contribute ideas.</td>
</tr>
</tbody>
</table>

(Continued)
### Benefits

- Job satisfaction – they increase job satisfaction as they promote worker involvement and demonstrate that the organisation considers worker opinion and knowledge to be valuable.
- Improved quality – as problems are solved, this promotes quality improvements.
- Management–workforce interaction – management must listen to recommendations if quality circles are to achieve their goals.
- Team building – they involve teamwork and a team approach to solving problems.
- Improved morale – morale is improved as a result of the above issues, but particularly as the process recognises the importance of the worker.

### Drawbacks

- Bad implementation – poorly organised meetings with no agenda will reduce the effectiveness of what comes out of the meeting.
- Union opposition – unions may oppose quality circles as, even though they are voluntary, they increase demands on workers.
- Scepticism – the motives behind quality circles may be questioned by employees; they may feel that the business is taking advantage and trying to get something for nothing.

### Evaluation may consider:

- The industry within which the business operates should be considered. For example, quality circles are used in a high proportion of engineering firms.
- Although there are many potential drawbacks, apart from management resistance, a very low proportion of businesses appear to experience these problems, so introducing quality circles is, on balance, to be recommended.

### Revision case study 1 (page 175): Unrest at the factory

1. **What problems might the business have experienced from the old production and payment system?** [4]

   The piece-rate bonus system previously used encourages workers to work as fast as they can to increase their earnings. This may lead to problems such as:
   - insufficient attention paid to quality
   - poor-quality products leading to customer dissatisfaction and a loss of sales.

2. **Examine the possible benefits to be gained from the changes that managers wish to make to the production and pay system at Harvard Electrics.** [8]

   Possible benefits include:
   - Improvements in motivation as employees are working in teams (Mayo) may improve productivity and reduce unit costs.
   - Utilising the knowledge of employees to solve production problems will give workers responsibility and develop their skills. These are motivating factors according to Herzberg. Quality circles will lead to improvements in the production process and, therefore, reduce costs.
   - As a salary is paid to production-line workers, they will be able to focus more on quality rather than volume of output. Improvements in quality will lead to customer satisfaction.
• There will be lower labour turnover due to increased job satisfaction.
• Management costs may be reduced as fewer supervisory staff are needed.

3 Why might working in teams not lead to the expected benefits? [5]

Teams may fail to deliver the expected benefits because:
• The workers are not used to working collaboratively and there may be conflicts within the team between dominant personalities.
• Supervisors such as Bik-Kay are reluctant to explain the proposal to production-line workers. If the benefits are not explained to workers, then their resistance to change will not be overcome.
• The team can develop attitudes which may contrast or conflict with those of the organisation itself.
• Conflicts can develop if team-members do not ‘pull their weight’.

Much will depend on how the teams are introduced and whether workers are given appropriate training.

4 Discuss why there is reluctance to change in this firm and how the managers could overcome this resistance. [8]

It is quite common for people to fear change as they become settled in their routines and feel comfortable with what they know. Managers could overcome this resistance by:
• communicating the reasons behind the change to workers and reassuring them that it is for the benefit of workers and the organisation
• ensuring that employees will not suffer any monetary loss
• providing training to workers to prepare them for participating in quality circles
• consulting supervisors and production-line workers about the proposed changes – although this slows down the introduction of changes, they are more likely to be accepted if they are not imposed.

Evaluation may consider:
A key mistake at Harvard Electrics was that the supervisors were not consulted.
Revision case study 2 (page 176): Staff turnover increases at Telemarketing Ltd

1 Explain fully the drawbacks to the business of high labour turnover and high staff absence. [7]

<table>
<thead>
<tr>
<th>High labour turnover</th>
<th>High absenteeism</th>
</tr>
</thead>
<tbody>
<tr>
<td>• There will be increased recruitment costs, e.g. placing adverts.</td>
<td></td>
</tr>
<tr>
<td>• Increased training costs as new recruits will need induction training and will take time to settle into the work. As Telemarketing Ltd sells financial products, recruits may need extensive training regarding the different products being sold.</td>
<td></td>
</tr>
<tr>
<td>• New staff are more likely to make mistakes. This will cost the business money and lead to customer dissatisfaction.</td>
<td></td>
</tr>
<tr>
<td>• New staff will work more slowly and may be less effective at securing sales when cold calling due to their lack of experience.</td>
<td></td>
</tr>
<tr>
<td>• This increases pressure on other employees as there are daily sales targets for the whole business. Increased stress will increase absenteeism and labour turnover.</td>
<td></td>
</tr>
<tr>
<td>• It may increase the unit costs of the business because workers may still be paid even though they are absent from work.</td>
<td></td>
</tr>
<tr>
<td>• There will be fewer sales as with fewer staff fewer cold calls can be made.</td>
<td></td>
</tr>
<tr>
<td>• Potential customers responding to adverts will be kept waiting and may, therefore, be lost.</td>
<td></td>
</tr>
</tbody>
</table>

2 Referring to the work of two motivational theorists, examine the likely reasons for the staffing problems at Telemarketing. [8]

Herzberg:
Hygiene factors are not present. This is leading to dissatisfaction, which results in labour turnover and absenteeism. The hygiene factors not being met include:
• adequate basic wage
• working conditions – strictly controlled rest periods.

There is also an absence of motivating factors, such as teamwork, as telephonists work at individual workstations.

Maslow:
Lower-order needs are not being suitably addressed. The basic pay is low and, therefore, physiological needs are not being met. There is no security of income as wages depend on the value of sales being made. There is no opportunity for teamwork, so comradeship and belonging needs are not being met. Staff may feel that they are not trusted as all calls are recorded and monitored by supervisors; thus, esteem needs are undermined.

Other theorists are acceptable.
To what extent might the principles of job enrichment be introduced into this business to help staff achieve ‘self-actualisation’? [12]

Herzberg defines job enrichment as ‘giving people the opportunity to use their ability’. Call centres often have very strict guidelines on exactly how each product should be sold. This reduces the opportunity for employees to use their own abilities. Telemarketing could allow workers to develop their own scripts for selling the financial products to customers.

To provide job enrichment, workers should be given a complete unit of work rather than a repetitive element of work. At Telemarketing, what is a complete unit of work? Perhaps telephonists, having discussed a financial product with a client, could have complete responsibility for preparing the necessary paperwork and following up the sale.

Job enrichment usually involves a reduction in direct supervision, as workers take more responsibility for their own work. At Telemarketing, all of the calls are recorded and monitored by supervisors – this increases the pressure on employees and does not create an atmosphere of trust. By reducing supervision, Telemarketing will demonstrate confidence in its employees and this will increase their level of responsibility. However, given that the selling of financial products may be heavily regulated, it may be necessary to record conversations to ensure that products are not mis-sold.

Job enrichment would allow telephonists some degree of decision-making authority, e.g. the opportunity to decide when breaks are taken.

Training could be given to telephonists that prepares them for selling a wider range of financial products and, therefore, increases their knowledge and skills. This could contribute to career advancement and facilitate self-actualisation in the long run.

There is no time for meetings between all of the staff; however, it may be possible to implement quality circles on a voluntary basis. Quality circles would enrich the job by promoting teamwork and reducing the isolated nature of the work.

**Evaluation may consider:**

Call centres have been described as the electronic assembly lines of the new economy. They are a highly monitored environment. Consequently, meaningful job enrichment may be difficult to achieve. The nature of the work may mean that it is not feasible for employees to achieve self-actualisation.
Recommend a pay system for staff in Telemarketing that will encourage long-term motivation. Justify your recommendation. \[12\]

Answers may review different pay systems and contrast their relative advantages and disadvantages to Telemarketing. The overall judgement needs to focus on long-term motivation.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit sharing</td>
<td>• This encourages employees to work collectively.</td>
<td>• Individuals who do not contribute still receive a share of the profit.</td>
</tr>
<tr>
<td></td>
<td>• Rewards are linked to the success of the business.</td>
<td>• This will reduce profit available for investment or for shareholders.</td>
</tr>
<tr>
<td></td>
<td>• Profit-related schemes, by linking the pay of employees to the profitability of the business, ensure that employees and the employer have the same interest, which should motivate them to work together.</td>
<td></td>
</tr>
<tr>
<td>Share ownership</td>
<td>• As shareholders, employees will benefit from the success of the business.</td>
<td>• Stock market volatility can make share options a less attractive option.</td>
</tr>
<tr>
<td></td>
<td>• This increases the stake of the employee in the business.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• This encourages employees to identify with the goals of the business.</td>
<td></td>
</tr>
<tr>
<td>Commission</td>
<td>• This will act as an incentive to increase sales. This is already used at Telemarketing Ltd.</td>
<td>• This can create competition between workers and, therefore, reduces teamwork.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• This can lead to customer dissatisfaction as sales staff oversell the product.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Commission does not appear to be having the desired effect currently.</td>
</tr>
<tr>
<td>Performance-related pay (PRP)</td>
<td>• This is commonly used for managers and executives in the private sector.</td>
<td>• This may lead to conflicts between managers and employees over the achievement of targets.</td>
</tr>
<tr>
<td></td>
<td>• Telemarketing Ltd could try a PRP system that recognises all aspects of the work carried out by employees, not just sales made. However, it may be difficult to measure other aspects of the work done by staff.</td>
<td></td>
</tr>
<tr>
<td>Salary</td>
<td>• Herzberg believed that salaries are effective because they provide the opportunity to meet workers' hygiene needs.</td>
<td>• There is possibly for some no incentive to work hard (Taylor).</td>
</tr>
</tbody>
</table>
Evaluation may consider:
The key problems at Telemarketing Ltd are the high labour turnover and absenteeism. Absenteeism might be reduced by providing incentives related to attendance at work. Will such a scheme provide long-term motivation?

A better solution would be to introduce payment systems that encourage and develop employee loyalty, that is profit sharing and/or share ownership.

Revision case study 3 (page 177): Why women are happier in their work than men

1 Identify three factors that seem to influence job satisfaction and explain them in terms of Maslow’s hierarchy of needs. [6]
   • Job-sharing schemes and part-time work – these appear to be important because they enable a better work–life balance. This reflects that workers may not seek all levels of need within the workplace. They may be satisfied with meeting the physiological needs from their job, meeting other needs through activities outside the workplace.
   • Challenging work – this relates to self-actualisation. Employees need challenging work and the opportunity to develop their skills.
   • Friendship and feeling part of the organisation – these relate to love and belonging. In small organisations, it is easier to feel a significant part of the organisation and there is less alienation. Employees also feel more secure.
   • Responsibility – this relates to esteem needs. When workers are given responsibility, this provides a boost to their self-esteem.

2 Explain in terms of the features of job enrichment why it might be easier for small firms to motivate staff than big businesses. [9]

Job enrichment seeks to give employees greater responsibility by ‘vertically’ extending their role in the production process. Job enrichment gives workers a challenge, which will develop their unused skills. This helps workers feel they have made a contribution to the business.

For a small firm, it may be easier to implement features of job enrichment as there are fewer staff. Therefore, it may be necessary to give employees more responsibility for completing meaningful challenges. For example, an employee may be given responsibility for:
   • planning a task
   • ordering materials
   • supervising work
   • controlling quality.

In a large organisation, there is greater division of labour and specialisation and, consequently, employees will not have responsibility for whole units of work.
Discuss the extent to which it might be possible for large firms to use Herzberg's motivators to improve the level of worker motivation. [10]

Identification of Herzberg's motivators:
- Sense of achievement — if there is a greater division of labour, workers become more removed from the overall goals of the business. Their role can appear insignificant and this reduces the sense of achievement. Workers may feel that they have limited control over their daily working lives.
- Recognition of effort.
- Interesting work — there is likely to be a greater division of labour within large organisations. This can lead to a de-skilling of labour and, therefore, work becomes more monotonous and repetitive.
- Responsibility.
- Opportunities for promotion — this is made easier within a large firm as there is likely to be a taller organisational structure.
- Opportunities for self-improvement.

Evaluation may consider:
The extent to which Herzberg's motivators can be applied may depend on the nature of work, the production system, the level of skills and experience of workers, the willingness of management to allow job enrichment.

Revision case study 4 (page 178): Redundancies fail to hit morale at Technoloc Ltd

1 Analyse the benefits to firms such as Technoloc of having a well-motivated workforce. [8]

The benefits of a well-motivated workforce include:
- Higher productivity — motivated workers will produce higher output. This reduces the unit cost and helps make Technoloc become more competitive.
- Lower labour turnover — only two people had left the business during a 12-month period. This reduces recruitment and training costs.
- Reduced absenteeism — absenteeism will cost Technoloc Ltd money in terms of lost production and in organising cover. It will also increase stress on other workers, leading to demotivation.
- Long-term loyalty — the associates were willing to accept the need for difficult changes due to the recession, including a salary cut and voluntary redundancies.
- Less need for supervision — the associates at Technoloc do not appear to need close supervision. They can be trusted to get on with their jobs with a minimal input from supervisors. This will save Technoloc money.
- Greater input from workers — workers will be more willing to contribute ideas to help improve production methods and quality. At Technoloc, workers are used to making suggestions that improve quality.

2 Discuss why the proposals at Technoloc were so willingly accepted by the associates. [12]

A number of reasons may be behind the acceptance of the proposals:
- The firm has a record of discussing changes to production with the teams that are affected. Associates were involved and consulted in drawing up the proposals. In fact, a group of associates was appointed to look into how the
workforce could adapt to the fall in demand; thus, it was the workers themselves who made the recommendations. Genuine consultation increases the chances of workers accepting the outcome as they have contributed to the decision reached. If associates feel that management has listened sympathetically to their views, they are more likely to accept changes.

- The firm was open about the situation it faced and communicated effectively with associates well in advance of any change. The fall in sales was ‘immediately broken to the workers at one of the regular team briefings’.
- The firm was prepared to offer a generous redundancy package and promised to rehire workers if there was an upturn in trading conditions.
- Technoloc has treated its workers fairly in the past; it has always rewarded and recognised outstanding work. This approach has increased worker loyalty to the firm.

Evaluation may consider:
The critical factor appears to be the involvement of workers in making the decision; they have some ‘ownership’ of that decision and are therefore more likely to accept it.

3 To what extent does the information given above suggest that Technoloc has adopted the findings of certain motivational theorists? [10]

There is a great deal of evidence that the views of theorists have been considered:

<table>
<thead>
<tr>
<th>Practice</th>
<th>Link to motivational theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Production is organised on a team-based system.</td>
<td>• Teamwork is an important element of Mayo’s theory of motivation.</td>
</tr>
<tr>
<td>• All major decisions concerning production are discussed by management with the teams.</td>
<td>• Herzberg found that responsibility was an important motivator. Involvement in decision making empowers employees and gives greater responsibility.</td>
</tr>
<tr>
<td>• Employees contributed to the plan to cut costs.</td>
<td>• Mayo also emphasised involvement in decision making.</td>
</tr>
<tr>
<td>• Teams have responsibility for assembling a significant part of the product.</td>
<td>• This should give a greater sense of achievement – a motivator in Herzberg’s two-factor theory.</td>
</tr>
<tr>
<td>• Workers are rewarded and recognised for outstanding work or contributing ideas.</td>
<td>• Herzberg identified recognition of effort as a motivator.</td>
</tr>
<tr>
<td>• Supervisors assist production rather than observing or giving instructions.</td>
<td>• Technoloc gives greater responsibility to, and demonstrates trust in, production workers. These are motivators in the two-factor theory.</td>
</tr>
<tr>
<td>• There is no clear management–worker divide.</td>
<td>• This gives greater status to production workers. This helps meet workers’ esteem needs.</td>
</tr>
<tr>
<td>• There are regular team briefings.</td>
<td>• Mayo identified the need for clear communication.</td>
</tr>
</tbody>
</table>

Essay

4 ‘If we pay our workers well, then there is no need for any of these new ideas, such as job enrichment.’ Discuss the validity of this view expressed by a chief executive of a car manufacturing business. [25]

Is pay the only motivator for workers?
Clearly, the chief executive takes a Taylorist view of motivation; Taylor (scientific management) believed that people work only for money. His view of human nature was that of ‘economic man’. He suggested that piece-rate pay systems were effective in motivating workers to work more productively. This view influenced Henry Ford. Ford’s factories applied what became the principles of mass production with the maximum possible division of labour, rigid management control and pay as a motivator to effort.

Money provides the means for workers to achieve other goals. For example, money confers status on employees. Money provides the means to satisfy our material desires. We live in a highly materialistic world, so money is very important in fulfilling our goals and desires.

Good rates of pay will attract recruits and help prevent dissatisfaction, thus reducing labour turnover.

However, most motivational theories, although acknowledging the important role of pay, suggest that there are other factors that lead to effort. If the car manufacturer wishes to motivate staff and reduce the unit costs of production, non-financial methods of motivation should be used.

- Mayo’s human relations approach stressed the importance of teamwork and for managers to take an interest in workers.
- Herzberg’s two-factor theory identified ‘motivators’ which motivate workers, such as achievement and recognition. Herzberg advocated job enrichment to motivate workers.

Honda provides a good example of an organisation that stresses factors other than pay to motivate its workers. The following non-financial methods are used:

- Honda plants are single status; this means that workers use the same canteen as managers and there is no reserved parking.
- Small teams are grouped on the production line and organise their work, thus providing responsibility and teamwork. This is an example of job enrichment.
- Teams look for continuous improvements through solving problems.
- Teamwork improves interaction and leads to a better quality of working life. The approach used helps to fulfil the higher-order needs of employees.

These and other similar practices are features of much of the Japanese car industry and this approach has spread throughout the industry from Land Rover to Volvo.

**Evaluation may consider:**

Evaluation may recognise that, whilst pay remains very important, most theorists and many chief executives accept that pay is not a sufficient condition to motivate workers.

**Further reading**