

START

1 Rearrange the following four needs from Maslow's hierarchy in the correct order:

- a Esteem needs
- b Security needs
- c Physiological needs
- d Social needs

2 Explain the difference between different factors in Herzberg's theory - the Motivators, such as recognition and empowerment, and the Hygiene factors, such as adequate pay and safe working conditions.

3 Which of these would Mayo **not** have suggested as a way of motivating employees like those at Lay-flat Fixings:

- a Works outings and trips
- b Piece-rate pay
- c Providing a staff coffee area
- d Focus on teamwork within the factory

4 Explain two advantages for Lay-flat Fixings if they offer financial motivation for staff in their factory.

12 Explain two ways of measuring the effectiveness of a training programme.

BUSINESS PROFILE

Factors influencing management, motivation and performance of the workforce

Lay-flat Fixings

Sometimes the simplest of products have the biggest success. A simple but effective fixing for flat-pack furniture was invented by Graham Davis when he was just 16 years old. By 2012, with his product protected by a patent, Davis received his first Lay-flat order from a national retailer.

When he secured an investment through TV's 'Angel Investors' programme, Davis could move the business into a brand new 20,000 square foot factory and warehouse. With no outsourcing of production, each Lay-flat component is made in that factory to very precise quality so that it always meets the standards needed to keep up the product's image. Staff motivation is a key part of achieving those standards, and Davis is keen to motivate his factory teams so that they can meet their production targets at the lowest possible cost.

Lay-flat is now available online as well as in more than 5,000 trade and DIY stores across the UK, and overseas from the US to Australia. The company now operates from five industrial units. In 2017, with revenue rising by 300%, Davis increased staff numbers from 20 to 75. They also invested in a big training programme, and Davis is keen to introduce a performance appraisal scheme for all his staff.



9 Explain the difference between on-the-job and off-the-job training.

8 Explain the purpose of a training needs analysis.

5 Explain two advantages for Lay-flat Fixings if they offer non-financial motivation for staff in their factory.

6 Define the term 'outsourcing'.

10 Which of these is **not** a purpose of performance appraisal:

- a to set individual and group targets
- b to reduce costs for the business
- c to provide employee feedback
- d to identify training needs

7 What method of recruitment was **most likely** used by Lay-flat fixings in 2017 as they increased the staff from 20 to 75?

PRINCIPLES OF MANAGEMENT SUGGESTED ANSWERS

- 1 a Esteem needs
d Social needs
b Security needs
c Physiological needs

2 Motivators are factors that would directly motivate employees to work harder).
Hygiene factors would de-motivate employees if not present but would not in themselves actually motivate employees to work harder.

3 b Piece-rate pay (this comes from Taylor's Scientific Management).

4 Helps to set goals for level of output; provides an extrinsic reward for achieving a task; may encourage staff to stay with the business (e.g. pension or subsidised meals/travel).

12 Improvements in performance eg fewer complaints or defects in output; greater productivity; better quality output/more repeat sales.

11 **Benefit for staff:** recognition for efforts; motivation; individual focus on performance and achievements; opportunity to discuss work-related issues; opportunity to plan for career progression.
Benefit for the business: time to focus on each member of staff; opportunity to match individual progress/performance with business objectives; identification of training and development needs.

10 b to reduce costs for the business.

9 **On-the-job training** – employees are trained in the workplace by a supervisor or colleague; low cost; bad habits may be passed on; production may be slower until skills are learned.
Off-the-job training – takes place at college or other training centre away from the workplace; higher cost; may be more professional; trainee is not producing output for the business at the time of training.

EXTENSION ACTIVITY

Now you have checked your answers to the consolidation questions, complete the extension activity below.

1 Identify the key motivation and performance issues for Lay-flat Fixings.

2 Write a report for Graham Davis, recommending a suitable method of performance appraisal for the skilled factory staff manufacturing the small metal fixings made by Lay-Flat. Your report should identify the factors which will make performance appraisal effective, and explain how it could help to motivate the staff.

8 To identify the skills needed to achieve business objectives, existing skills in the workforce and skills gaps, and to determine training needs to fill those gaps.

5 Greater job satisfaction leading to loyalty; improved working relationships; encourages responsibility and team work.

6 Giving the contract for certain functions of the business to outside suppliers e.g. accounting, customer service.

7 External recruitment would be needed.