1 (2013)

10.	5 marks (3+2) + 5 marks (3 + 2)	10

10. Outline two possible implications for a business if a manager adopts McGregors Theory X approach to managing:

Possible Implications:
- **Demotivated workforce** as a result of the autocratic approach, lack of consultation and empowerment. Lack of trust; no delegation; low morale.
- **High labour turnover** and re -training costs for the company.
- **Industrial relations problems**, impacting on productivity/output.
- **Poor time management** because the Theory X manager will not delegate tasks, resulting in possible overwork and stress for the manager.
- **Low quality of work/output; low quality of goods/services**; lack of incentives provided to be entrepreneurial, to do things differently, and to take an interest in the work.

2 (2007)

7. (a) Self-actualisation means being personally fulfilled having developed one's own capabilities and talents to the highest possible level.

    (b) **Two** other human needs (name):
    - Physiological
    - Safety.

3 (2019)

4	B	Physical Needs Need for food, water, clothing and shelter. **It offers competitive salaries to all employees** Safety Needs The need for certainty and physical safety. **Long- term contracts of employment to all employees** Social Needs The need for interaction with other human beings. **A team structure exists in the business where employees from all over the world work together on innovative projects** Esteem Needs The need to have your performance recognised by others. **Staff ideas are accepted, and innovation rewarded.** Self-Actualisation This need is met when an employee reaches their full potential. **Hexagon supports employees who take on further studies.**	20

4	C	(i)	• **Autocratic** The leader gives instructions to subordinates. S/he makes decision without consulting with anyone. Example: A product recall or an emergency in store.	10

Characteristics
- The leader gives instructions to subordinates.
- Decision making is not shared/no consultation.
- Little room for employee innovation.

• **Democratic** The leader involves the employees in the decision making process. S/he listen to the views of others and may facilitate consensus of the team. Leadership generates a sense of belonging but it is still centrally controlled by the manager/ Capitalise on the skills and talents of employees by letting them share their views rather than expecting them to conform.

Characteristics
- The leader shares decision making with subordinates.
- They listen to the views of employees /collaborative/keep employees informed of changes so they feel part of the retail outlet.
- Leadership generates a sense of belonging but is still centrally controlled by the manager.
- Teamwork-fosters an atmosphere that values information sharing/greater openness.
- Requires trust between manager and employees.

• **Laissez faire (Free reign)** Leadership involvement is minimised/Very highly skilled employees (such as middle managers) may make their own decisions and there is no requirement for central coordination.

Characteristics
- Very highly skilled employees/experts (such as middle managers).
- This involves allowing subordinates to set their own goals and achieve them without interference of management.
- Requires employees who are very engaged with their work.

| 4 | C | (ii) | • **Instant/quick decisions** where there is no need for input on the decision or where the decision wouldn't change as result of employee input autocratic style would be appropriate.
• **Type of Employees.** The amount of direction needed by employees will need to be considered. Assembly line staff more suited to an autocratic style.
• **Time.** If an outcome is needed fast, a more autocratic form of leadership may be required.
• **Complexity of the task/Skills of employees.** A more complicated task will require more detailed instruction and supervision. However, if the skill set is high, employees may require a leader to be a facilitator to allow them to figure out the task themselves.
• **Corporate Culture.** The culture of the organisation will also influence the leadership style expected by the manager.
• **Span of Control** | 10 |

(i)   Explain the 'hierarchy of needs' developed by Maslow in his theory of motivation.
(ii) Discuss possible limitations of this theory of motivation.   (25 marks)

Question			Possible Responses	Max Mark
4	**(B)**	(i)	Maslow's theory of motivation is based on two assumptions: • Every employee has the same needs organised into a hierarchy of 5 categories. • Once a need is met it stops being a motivator. The next need becomes the motivating influence for the employee. The 5 needs are: • **Physical Needs**. Food, shelter and warmth A manager can motivate his workers by ensuring they receive a fair wage, bonuses, profit-sharing schemes in order that the physical needs for food, clothes, shelter etc. can be met. • **Safety Needs**. Security and stability and consistency Managers can make employees feel safe and secure by: offering long term contracts of employment providing a grievance procedure providing free medical check-ups/ sending workers on health and safety courses/ providing a safe working environment e.g. safety goggles, boots, gloves, hard-hats, high visibility jackets for construction workers. • **Social Needs**. Belonging, friendship and contact The social needs of employees can be met through offering flexi-time which allows employees to spend more time with their families. Teamwork and social events can help workers form new friendships and relationships. • **Esteem Needs**. Confidence, status, self-respect and recognition Managers can facilitate a worker's esteem needs through offering praise and rewards such as a new job title or an attractive office etc.	5@4(2+2)

| | | | • **Self-Actualisation Needs.** Self-fulfilment, become everything one is capable of becoming. Management by offering workers a career plan, training and development opportunities, empowerment and promotion to positions of responsibility can meet these needs. | |

Question			Possible Responses	Max Mark
4	(B)	(ii)	Possible limitations of this theory of motivation: • Needs may not occur in the strict order specified by Maslow (cultural and individual differences) • Not all employees are governed by the same set of needs • Needs may not be all of equal value to the employees • Employees may be driven by different needs at different Times • Theory not based on rigorous sampling.	1@3 1@2

4	C	Outline the different stages in Maslow's hierarchy of needs **and** illustrate how 3 Dimension Ltd applies this theory to motivate its employees**.**	20

Maslow put forward a theory on motivation based on 5 levels of basic human needs that must be satisfied in sequence, starting from the lowest and working up to the highest. As one need is satisfied then the need immediately above it on the pyramid becomes the dominant motivator. The needs in **ascending** order are as follows:

1. The need for Food /Shelter (Physical Needs)
2. The need for Security and predictability. (Safety/security Needs)
3. The need for love and friendship. (Social Needs/Acceptance)
4. The need for status, respect & appreciation by others. (Esteem needs)
5. The need to realise one's full potential. (Self-Actualisation needs)

Physical Needs. A manager can motivate his workers by ensuring they receive a fair wage, bonuses, profit-sharing schemes in order that the physical needs for food, clothes, shelter etc. can be met**.**
3 Dimension Ltd 'offers competitive salaries to its employees'

Safety Needs. Managers can make employees feel safe and secure by:
o Offering long term contracts of employment.
o Providing free medical check-ups.
o Sending workers on health and safety courses.
o Providing a safe working environment e.g. safety goggles, boots, gloves, hard-hats, high visibility jackets for construction workers.
3 Dimension Ltd provides 'a safe and healthy work environment'

Social Needs. The social needs of employees can be met through offering flexi-time which allows employees to spend more time with their families. Teamwork and social events can help workers form new friendships and relationships.
3 Dimension Ltd 'holds weekly team meetings enhancing the workers' sense of belonging'.

Esteem Needs. Managers can facilitate a worker's esteem needs through offering praise and rewards such as a new job title or an attractive office.
3 Dimension Ltd 'recognises and rewards staff achievement'.

Self-Actualisation Needs. Management offers workers a career plan, training and development opportunities, empowerment and promotion to positions of responsibility.
3 Dimension Ltd 'provides opportunities for staff to develop new skills and experience new challenges.'
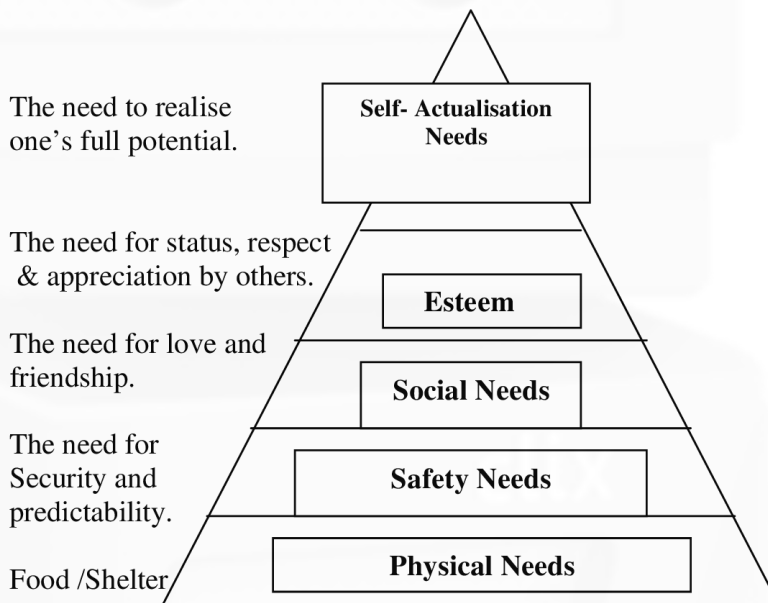
(B) (i) Explain Maslow's Theory of Motivation.

Motivation is the willingness of people to work. It is what drives, influences and encourages people to work toward a particular goal.
Maslow put forward a theory on motivation based on a **hierarchy of needs.**

As one need is satisfied then the need immediately above it on the pyramid becomes the dominant motivator/takes precedence.

(ii)

The need to realise one's full potential.

The need for status, respect & appreciation by others.

The need for love and friendship.

The need for Security and predictability.

Food /Shelter

Self- Actualisation Needs

Esteem

Social Needs

Safety Needs

Physical Needs

Illustrate how a manager could motivate workers by applying Maslow's Theory in the workplace.

- Physical Needs. A manager can motivate his workers by ensuring they receive a fair wage, bonuses, profit-sharing schemes in order that the physical needs for food, clothes, shelter etc. can be met.
- Safety Needs. Managers can make employees feel safe and secure by:
    o Offering long term contracts of employment.
    o Providing a grievance procedure
    o Providing free medical check-ups.
    o Sending workers on health and safety courses.
    o Providing a safe working environment e.g. safety goggles, boots, gloves, hard-hats, high visibility jackets for construction workers.

- Social Needs. The social needs of employees can be met through offering flexi-time which allows employees to spend more time with their families. Teamwork and social events can help workers form new friendships and relationships.

- Esteem Needs. Managers can facilitate a worker's esteem needs through offering praise and rewards such as a new job title or an attractive office.

- Self-Actualisation Needs. Management offering workers a career plan, training and development opportunities, empowerment and promotion to positions of responsibility can meet these needs.

Delegation involves the assignment of authority to another person, generally from a manager to a subordinate, to undertake a specific work task or project. Successful delegation requires that the manager articulate the following clearly to the subordinate:

- Details including deadline of the assigned task/project
- The extent of the authority delegated, including reporting requirements to the manager

The manager must also ensure that the person to whom the task/project has been delegated has the necessary skills and competencies, and is provided with the necessary resources to complete the task/project.

The ultimate responsibility for the task /project remains with the manager.

(ii) Describe the benefits of delegation for a manager.

- More efficient completion of tasks or projects, as manager is not required to do all the work.
- Task/project may be completed to a higher standard due to level of personal accountability provided by delegation.
- Increased employee motivation from job enrichment/ improved staff morale/better work.

- Managers can prioritise tasks that need their attention, thereby having more time for the completion of these tasks and for managing i.e. planning etc.
- Higher skilled workforce will provide greater flexibility for manager.
- May improve work-life balance for the manager- better distribution of work.

(B)   Analyse the implications for a business of a manager adopting a Theory X approach to managing.

Theory X Manager believes that workers:
- are lazy and that they dislike work
- lack ambition, and will avoid taking responsibility
- dislike and are reluctant to accept change in the workplace
- are motivated by money – will not be possible to provide extra pay in current economic climate to motivate workers

The Theory X Manager adapts an Autocratic approach to management - supervising workers closely, offering incentives or using sanctions to ensure employee co-operation and conformity.

Characteristics/Implications of a Theory X Manager may include:

- Manager keeps control/ possible conflict between management and employees.
- Little trust/employees less likely to use their own initiative.
- No consultation when making decisions/lower productivity and lower quality
- Little delegation/fewer opportunities for employee promotions.

(C) Motivational Theories
Motivation may be defined as the factors that cause people to act or behave in certain ways. People's behaviour can be influenced (controlled) by motivating them to meet their unsatisfied needs. (1) A need (2) A goal (3) Action (4) Feedback.

Maslow's Hierarchy of Needs
The satisfaction of a person's needs begins with the basic physiological needs, eg food and shelter (salary). Only after these basic needs have been satisfied will a person attempt to satisfy the next need

on the ladder, eg safety needs (secure employment),social needs (friends in work groups), esteem (job titles) , self actualization (challenging job).

McGregor's Theory X and Theory Y

Theory X
The average human being has a natural in-built dislike for work.
People have to be forced, controlled and threatened with punishment.
Safety and security above all else.
Avoidance of responsibility.

Theory X suits the autocratic manager.

Theory Y
The individual does not dislike work.
Work is very satisfying.
Strict control over people is not necessary if people are committed to shared objectives
The satisfaction of self- actualisation, is the best way to get effort from people.
Human being can be taught to accept and seek responsibility.
All members of the organisation can help solve problems.

Theory Y would suit a democratic style of management.