

**Question A1**

- a. Using the Herzberg Dual Factor Theory, what does Bowers Machine Parts situation tell you about employee motivation?

(15 marks)

Herzberg Dual Factor Theory also known as the theory of motivation was found by Frederick Herzberg in the year 1959. The theory works on two aspects: Motivators and Hygiene factors; Both factors are not dependent on each other, one increases job satisfaction, and the other leads to job dissatisfaction.

Hygiene Factors are essential for the presence of motivation in the workplace. They do not lead to positive satisfaction for a longer period but if they are not present or lack of these might result in dissatisfaction of employees to be less productive and unmotivated. The hygiene factors indicated the physiological needs which the individuals wanted and expected to be fulfilled. Several factors related to this could be: Company Policies and administrative policies, pay, Work conditions, work- relations in-between, Supervision by the superiors, and job security.

Motivators are factors inherent to employees to work harder or produce better results. Examples may include: Recognition in a company/organization, Sense of Achievement after completing a task, type of work being done, sense of advancement and growth etc.

Using this theory, the situation at Bowers Machine Parts can be described, when Jack Bowers was in charge of the company and second when Helen Bowers inherited the business.

At the time of Jack Bowers, the company's situation was "High Motivation and High Hygiene". The employees were very motivated and the hygiene factors were at standard of the company. The work relationship was very good, the pay/salary was higher, working conditions were less emphasized and company policies focused more on the well-being of the employees. After Helen Bowers inherited the company, the factors changed to "Low Hygiene and Low Motivation". The employees were not motivated and the hygiene factors were not up to the mark. The relationship between employees and their superiors reduced, salary was decreased, working conditions caused more stress and workload, sense of achievement or recognition was not there and company policies were focused more on the owner than the employees. This resulted in little increase in output but lower efficiency. Employee motivation decreased and nothing has been changed in order to improve upon it.

- b. If you were Helen's consultant what would you suggest to Helen to keep her employees motivated and improve job satisfaction?

(15 marks)

In view of the company's history, it is best to go back to the previous way of managing the business, like Helen's consultant advised. Because of the recent changes made by Helen Bowers, employee satisfaction and motivation has become at lowest. This caused the work done by the employees to be inefficient and costs increasing on training and other personnel expenses.

Advice to be taken seriously and at least considered when taking decisions about the company. It is also suggested to talk to the employees to learn about their opinions/views on the working circumstances in the business. This helps in the long-run of the company as it can make work relations better and give a sense of gratitude to the workers, also increases motivation too.

In order to compete in international competition, Bowers Machine Parts has to be cost effective and efficient in manufacturing their products. Instead of increasing the production quota by 20% and decreasing ideal time, this is creating a and dissatisfactory and stressful environment; diving the work overtime, increase the production quota by lower some percent then 20%, this way more efficient way could be found to create the products with lower price. The change in the profit-sharing plan of the company should be taken back, operation procedures should not be changed with no future deduction of bonus pay.

Instead of running the business alone on her strategies; it is best to change back to the original way with minor changes; sell or remove employee benefits which are not being used often, but consider taking their advice, do employees survey for their input for higer job satisfaction and investing in R&D (Research and Development) so that a more and efficient way can be found to produce higher quantities at a lower cost and increase over ton of company.

- c. Evaluate which of the three management skills (technical, conceptual and human) does Helen seems to lacking?

(10 marks)

Management skills are the ability to understand of certain tasks or activities led by an individual in a managerial spot. These skills are important as they help to manage employees/workers under them to ensure efficiency and maximum capability is touched.

Conceptual skills are the capability of an individual to think “out of the box”. This means bigger abstract thinking and fast analysis of company statistics; thus, suggesting future calculations of a business.

Technical skills are the use of the individual’s knowledge and ability of using different methods to get a task/job done. Example: A person who has skill with different machineries and has earlier coordinated a group of people to make a computer program would be the greatest person for the “Manager of Program Development” position in a company.

Human skills are how well an individual can work/communicate with other people effectively and efficiently. This determines if a manager can ample a task efficiently and with the least amount of struggle among the employees and workflow.

Amongst these 3 management skills, it is obvious that Helen Bowers is lacking human management skills, not taking any advice and not considering employees suggestion. No doing so will help company to grow in future.

Answer **ALL TWO (2)** questions (**60 Marks**).

**QUESTION B1**

- a. Discuss why managers need to have good decision-making skills?

(9 marks)

Managers need to have good decision-making skills. There are many reasons for that, as businesses and companies become bigger, the decisions also need to be bigger too. Decisions leaves remarks if the wrong choice is made. Thus, having a good decision-making skill is necessary in a company.

Once a decision is taken, it is nearly impossible to change. Most of entrepreneurs say made quite a few wrong decisions along the way in order to reach their position. These provide with greater knowledge and experience to take better decision in future situations.

Sometimes managers are faced with certain situations where decision can either boost the business with greater profits or to crash it. Such decisions are risky to make but, if they are right then is very advantageous to the business. These often require incredible amount of thought and determination in order to make the right decision. The use of all management skills may be essential in order to get every form of benefit possible.

A failure in making a decision can cause problems between employees, decrease efficiency of the overall making and is considered the manager to be a hesitant leader.

Each decision should be taken into consideration and thought of carefully. Depending on the situation also thought of speedily as time is a service that cannot be bought back.

- b. Today's business world revolves around making decisions, which are often risky ones made with incomplete or inadequate information and under intense time pressure. Explain how managers can blend the guidelines for making effective decisions under these conditions in today's world.

(21 marks)

The Decision-making process involves a lot of steps. But to make an effective Decision certain guidelines need to be followed.

1. Identifying the problem: First of all, you need to identify what the problem is. Then you need to identify what is a critical part of this problem. Once you have identified these two criteria you move on to the second step.
2. Identifying the criteria for decision-making: Next you identify all the reasons that will affect the final decision. These can be any criteria that need to be met when presenting the final solution.
3. Allocation of Points to Criteria: In this step, you weigh the pros and cons of each criterion and allocate it points from 1-10 where 10 is given the utmost priority.
4. Solutions: After thoroughly analyzing the criteria that need to be met you need to compile a list of solutions. This cannot be a single solution; it needs multiple solutions so that you cover all your bases.
5. Analysis of Solutions: Here you weigh the Pros and Cons of each solution and rate them according to the number of criteria that they fulfill. The more criteria that they meet the higher priority they get.
6. Selection of Solution: After you have analyzed all the solutions you need to select the best 2 Solutions. The 1st one is going to be your primary one that fulfills the max number of criteria and the 2nd one will be the alternative solution which also fulfills the max number of criteria but falls short in some areas when compared to the 1st solution. This will be the backup plan.
7. Implementation: In this step, you will implement your solution, or if there is more than one solution than you might need to implement them in steps or phases.
8. Effectiveness of Solutions: In this final step you will measure the effectiveness of the solution by taking opinions and feedback from your employees who are using your chosen solution. This step will rapidly improve your decision-making skills for use in the future

**QUESTION B2**

- a. The internal SWOT analysis is based on resources, capabilities and core competencies of a company. List and explain any **TWO (2)** examples of:
- Resources
  - Capabilities

(10 marks)

The resources of a corporation can be tangible or intangible. Resources may include Financial portions of the business which define the borrowing power of a company. Physical resources are also included, as in materials capital etc. Intangible may include Technology, Reputation and Human Resource.

For E.g.:

- The physical raw materials gathered by a company can be a great strength. If the quality of the materials obtained is better than in contrast to the market, then products made from such materials should be of a higher and better quality.
- The financial borrowing power/ability of a business at the exact time can be a strength and a weakness for business. Depending on how much ability the company has, in conditions where it might need to bulk buy or pay a large amount for an agreement; might fall short. In this situation it becomes a weakness, but if it can pay for all the needs of the company and still can gain profit, then it is taken as a strength.

Capabilities of a company are as vital as the resources. These capabilities of a company are what it is able to do compared to the general market. The abilities that set the company apart from the others is what defines its exclusivity among the market.

For E.g.:

- mostly taken as company's strengths itself. Having a skilled Information management system can help in making managerial decisions. Depending on the market other corporations might not even have such a system.

The obtainability of a Research and Development department for the capability of basic research on product enhancement is always a strength.

- b. The external SWOT analysis refers to the opportunities and threats that can affect a business. Explain any **THREE (3)** opportunities and any **THREE (3)** threats that can affect a company. You may use relevant examples to support your answer.

(20 marks)

Ans: Opportunities are external factors of the business that most possibly will subsidize to the achievement of the company.

- i) Market progress and rise in demand on the products being sold by the company. If the market that the company is in is increasing, then there is an opportunity for sales to rise due to the rise in customers. It can also bring about opportunities that allow the company to venture the market with newer products. E.g.: In a market that sells cars, if a company starts trading both cars and its parts then it's an opportunity for them, as no other company is doing the same thing.
- ii) There might be a variation in the procedures in making a product which might affect a company positively. E.g.: If a company already makes a product with improved quality materials, and then newly due to the change of regulations it is certain for all companies to use better materials; then that specific company will not have to change their production structure.
- iii) Status and brand image of a company is an identically big opportunity liable on the market. E.g.: If a corporation in a market has very good brand image and reputation, then it is more likely for clients to go and buy their products first, than another company.

Threats are external factors that usually affect the company, but the company itself does not have control over it. It is always suggested to place possibility plans beforehand.

- i) The unpredictability that raw materials will always be accessible at the similar price and quantity. E.g.: There is always a possibility that a company might not always get the same quantity of raw materials at the same price from a provider. Prices and quantity might vary reliant on the situation of the specific raw material. If a product is sold more than the suppliers might increase the price of the same amount of raw materials.
- ii) Progressions in technology might affect the business in different ways. E.g.: A company is making its products using labor. A new company joins the market with automated machines making the product. They lower the price of the product. The company using labor is then a step behind, which is a threat to that company.
- iii) Consumer needs might change which might make a product in the market outmoded. E.g.: In a market that solely sells motorbikes, consumers might change to cycles for better health. The sale of motorbikes will then decline, which will experience losses to those companies. This can be a big threat to those companies.

