Question 1

Define the term ‘motivation’ and explain its relationship to employee productivity and the achievement of business goals and objectives. 2 marks

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*Marking guide:*

***1 mark*** *for defining motivation*

***1 mark*** *for explaining the relationship between motivation, productivity and achievement of business goals and objectives*

Question2

Explain the impact of performance-related pay on the short-term and long-term motivation of employees. 2 marks

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***1 mark*** *for explaining investment in training as a short-term motivator*

***1 mark*** *for explaining investment in training as a long-term motivator*

Question 3

Discuss one advantage and one disadvantage of

- investment in ‘On the job’ training

- Investment in ‘Off the job’ training 2 marks

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Question 4

Explain the importance of implementing an effective performance management system in businesses

(3 Marks)

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***1 mark*** *for explaining performance management*

***2 marks*** *for describing the importance of performance management to business success and its application to the case study*

Question 5

Propose and describe **two** strategies that a business could implement to ensure that redundancy arrangements for some of the employees are handled in an appropriate manner. (4 Marks)

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*Marking guide*:

***2 marks*** *for describing two relevant strategies*

***2 mark*** *for linking the strategies to examples*

Question 6

Describe Lawrence and Nohria’s Four Drive Theory and explain the different strategies that can be used by the Human Resource Manager to ensure that the business is satisfying all four drives to increase employee motivation. (5 Marks)

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*Marking guide:*

***1 mark*** *for outlining the Four Drive Theory*

***4 marks*** *for describing strategies that cover* ***all four*** *drives and their application to the case study*

Question 7

Describe and evaluate one performance management strategy that could be implement to improve employee and overall business performance. 3 marks

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Question 1 (6 marks)

**a. Define the term ‘motivation’ and explain its relationship to employee productivity and the achievement of business goals and objectives. 2 marks**

*Sample answer:*

Motivation is the level of energy, commitment, willingness and creativity that an employee brings to their job or in the completion of work tasks. Motivation levels have a direct impact on productivity levels. Employees who are highly motivated, feel good about their jobs and carry out their responsibilities to the best of their ability, should achieve increased levels of productivity. This in turn helps businesses achieve their strategic goals and objectives.

*Marking guide:*

***1 mark*** *for defining motivation*

***1 mark*** *for explaining the relationship between motivation, productivity and achievement of business goals and objectives*

Question 3 (4 marks)

**a. Explain the impact of performance-related pay on the short-term and long-term motivation of employees. 2 marks**

*Sample answer*:

Performance-related pay is where employers give financial rewards to individual employees based on their effort and performance in meeting business goals. Many employees need recognition to produce quality work and bonuses, sales commission and profit sharing are examples of rewarding employees whose work is above standard.

Performance-related pay is better linked to the achievement of short-term motivation as it is considered an extrinsic reward that encourages higher efforts from employees, particularly from junior ranked employees at the lower end of the pay scale. In the long-term; however, as employees become more highly paid, financial rewards become less important and other needs, such as their self-esteem and career advancement become more important as motivators.

*Marking guide:*

***1 mark*** *for explaining performance-related pay as a short-term motivator*

***1 mark*** *for explaining performance-related pay as a long-term motivator*

Question 4

**Explain the importance of implementing an effective performance management system in businesses like Caffix Coffee.**

*Sample answer*:

The fundamental goal of performance management is to promote and improve employee effectiveness and their overall contribution to the business. It is a continuous process where managers and employees work together to plan, monitor and review an individual employee’s work objectives and link them to the achievement of the business’s goals and objectives.

It is important to implement an effective performance management system as it helps to improve communication between management and employees, particularly during performance appraisal meetings. This is an opportunity to evaluate how effectively employees are fulfilling their responsibilities and for management to consider how best to support and develop employees towards the attainment of business objectives. If Caffix Coffee wants to successfully implement its plans to expand globally, it needs to focus on applying an effective performance management system that will boost employee morale, productivity and foster innovation.

*Marking guide*:

***1 mark*** *for explaining performance management*

***2 marks*** *for describing the importance of performance management to business success and its application to the case study*

Question 5

**a. Propose and describe *two* strategies that Caffix Coffee could implement to ensure that redundancy arrangements for some of the employees are handled in an appropriate manner. 3 marks**

*Sample answer*:

It is a stressful experience to lose your job, particularly when the cause of your redundancy is not poor performance. There are a number of strategies that Caffix Coffee can implement to support redundant employees in their transition from leaving the business to finding a new job.

One strategy is to offer a generous redundancy package. This would include all of the entitlements legally owed to an employee, such as accrued annual leave, plus a payout based on what is stipulated in the employee’s conditions of employment (employment contract). This is typically a certain number of weeks’ pay per year of service. Caffix Coffee would also be wise to extend the notification period of time it must give to employees on their termination so they have plenty of time to make other employment or personal arrangements.

A second strategy is the provision of outplacement services to the employees who are being made redundant. Outplacement services assist retrenched employees to gain new work and provide counselling to help them cope with the stress of losing their job. They also run skill-development programs in areas such as resume writing and interview techniques, and they can offer office space and access to facilities to organise interviews. The costs associated with the service would be paid by Caffix Coffee. This would send a strong message to the remaining employees that Caffix Coffee cares about them.

*Marking guide*:

***2 marks*** *for describing two relevant strategies*

***1 mark*** *for linking the strategies to Caffix Coffee’s circumstances*

Question 6

**Describe Lawrence and Nohria’s Four Drive Theory and explain the different strategies that can be used by the Human Resource Manager to ensure that Caffix Coffee is satisfying all four drives to increase employee motivation**.

*Sample answer:*

The Four Drive Theory states that there are four main drives that motivate employees. These are the drives to ‘acquire and achieve’, to ‘bond and belong’, to be ‘challenged and comprehend’, and to ‘define and defend’.

The drive to acquire and achieve is primarily satisfied through a business’s reward system. At Caffix Coffee, management can ensure that it develops a reward system that recognises top performers from average performers by offering pay above the industry standard and recognising outstanding performance.

The drive to bond and belong is mostly met through an organisation’s culture. At Caffix Coffee the culture can be enhanced by embracing teamwork and collaboration between peers and encouraging the development of friendships and bonding through socialisation activities.

The drive to be challenged and comprehend is fulfilled primarily through job structure. At Caffix Coffee it needs to ensure that its various job roles stimulate and challenge employees or provide them with opportunities to grow. Suggested strategies include job sharing/rotational opportunities that provide new challenges and training opportunities that provide employees with new skills and knowledge.

The drive to define and defend is met through an employee feeling aligned and connected to the business. At Caffix Coffee this can be done by creating a vision and fair and transparent processes that help to overcome fear and the need to defend. Suggested strategies include adopting a participative management style that encompasses open communication, fair and ethical work practices, and establishing a performance management system that provides direction and is trusted by employees.

*Marking guide:*

***1 mark*** *for outlining the Four Drive Theory*

***4 marks*** *for describing strategies that cover* ***all four*** *drives and their application to the case study*