

**IB Business & Management Standard Level
Internal Assessment**

**Which motivation theories should MCS
Group use to promote their new
employees for the second Coca Cola
bottling plant?**

Syllabus Section and Topics Covered:

Topic 2.1- Human Resource Planning

Topic 2.5- Motivation

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Name:

IB Candidate No.:

Date Submitted:

Teacher:

Letter of Confidentiality

IB Business & Management teacher
HS Social Studies Department

15 July, 2008

Dear _____

This letter is to certify that _____ is an IBS Business & Management Student at the _____ School of _____, and surveyed 50 workers of MCS Group based on the topic of “How do big companies motivate their employees”.

We believe any information that we released to the student will be treated in the utmost confidence. The student is very welcome to get any information through e-mail or telephone and may contact with workers if need be.

We will be expecting the student to present us with a bound copy when the student is done with this assignment.

Thank you,

The CEO of the MCS Group
MCS Group
MCS Plaza, Seoul Street 4, Ulaanbaatar, 210644, Mongolia

Vise President of Human Resource
Human Resource Department
MCS Group

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Introduction

Mongolian Consulting Service Group (MCS Group) is the first company and started in an energy sector in 1993. It has the business operations with energy and infrastructure, wholesale and retail, property development, construction and printing. The company has been honored as one of the top five taxpayers in 2007. The overall number of employees is more than 3000¹ Large companies like MCS Group usually have problems with promoting their employees because they don't know which motivation theories suit the best. They have been working with international companies such as Coca Cola Company since 2001. As of now, they have been using Herzberg's two factor theory for promoting their employees of the first Coca Cola bottling plant. In August 2008, second Coca cola bottling plant was opened with US\$22 million by the CEOs of MCS Group and Coca Cola Company and it is larger than the one that was opened in 2001.²This new expansion will help Mongolian market to grow more and also it will decrease the number of unemployment but satisfaction of employees is very important because without any motivation, company will have to face with absenteeism. Therefore the question to respond is "Which motivation theories should MCS Group use to promote their new employees for the second Coca Cola bottling plant?"

Procedure

The primary research that the researcher had done was an interview (Appendix I) with Mr. \ ³, the Vice President of Human Resource of MCS Group about what motivation theory that have been using. He said, "As of now, they do offer free language courses, bonus every season, provide with a car, travel allowance to Hay-Nan, Japan, Singapore etc... and to award as the employee of the month and year. They consider this as using Herzberg's two factor theories." These promotions are based on the achievement of the employees, how efficiently their work has done by given time and what creative and useful innovations they had been discovered for MCS Group. Also they motivate their

¹ "The MCS Group." Online: 22 May 2008. Available: < <http://www.mcs.mn> >.

² "Coca cola opens US\$22 million New Plant in Mongolia." *Daily Business News Mongolia* 25 Aug. 2008. Available: < <http://www.business-mongolia.com> >.

³ , Vice President of Human Resource Department, MCS Group. Personal Interview. MCS Plaza, Ulaanbaatar, 18 June 2008.

professional staffs who have been working for MCS Group efficiently for more than five years.

The researcher also did survey for 50 office workers who have been working for the first bottling plant (See an example of one employee's completed survey is on Appendix II) The questions on the survey were usually about what factors gain and prevent their job satisfaction (See the survey form on Appendix III) and it created by using motivation theories of Herzberg's two factors and Maslow's Hierarchy of Needs. The researcher used these motivation theories to respond to the question because the company is already using Herzberg's two factor theory and to analyze the success of this theory, the researcher needed to compare it with other theory, Maslow's Hierarchy of Needs to see which would make more efficient and productive workers.

The secondary research was based on the internet and collected information about MCS Group and how it is known by the public. MCS Group mission is keeping up with the world. The visions are creating and nurturing MCS Group, building world class organization and being a good corporate citizen. MCS Group is about being a corporate good role, **giving same rights and opportunities to employees** and costumers and lastly doing the right things in right ways to keep the promises and to get honored for their responsibilities.⁴ The first Coca-cola bottling plant followed the missions and visions well therefore the second bottling plant opened.

The limitations for these researches are even though the participants answered the survey honestly; maybe some of them were biased and slacked for answering it. Some even completed the survey incorrect. It was a web survey, so the researcher really cannot tell who done the survey thoughtful and who didn't. Using only 50 participants out of more than 3100 employees is a weak research. The participants who took the survey were office workers who work under better condition than the employees who work at the plant. The workers at the plant would likely to choose security factor for one of their top five motivators because their working condition is different and risky than the office workers. The researcher interviewed only one person who could be given biased and false information and there could have more questions about the level of salary and how it

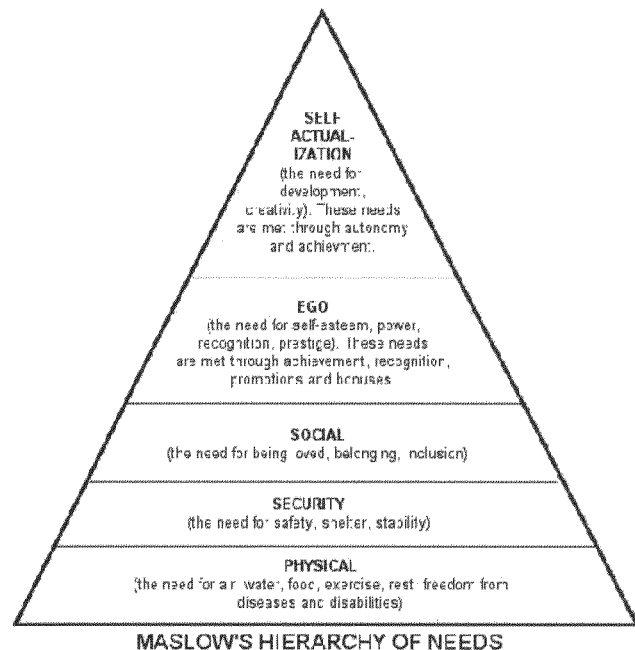
⁴ "The MCS Group." Online: 20 Oct. 2008. Available: < <http://www.mcs.mn> >.

affects the job satisfaction as the salary level is big issue to everyone. Therefore, it is hard to conclude and shouldn't be generalized.

Findings and Analysis

As the vision stated the company gives the same rights and opportunities to its employees, the collected 50 surveys showed that the most of the employees who have been working for MCS Group more than three years are already promoted therefore the **66%** (See all the results on Appendix IV) of the workers are satisfied with what they are doing right now which means, the theory is working well. Most of them had already gone to foreign countries such as **Singapore, Japan and the USA for free language courses and also for a vacation as Mr. Gantumur mentioned.**

The requests for MCS Group are company's security and relationships between the workers. It shows that the communication works between the managers and employees but the relationship between the employees is not well developed. Maybe because of lack of organizing activities is the issue. Maslow's Hierarchy of needs⁵ shows five stages of needs and maybe the employees are having only the first need, the Physical, therefore the top ones are needed. This question referred to Maslow's Hierarchy of needs because the researcher need to see what level the company is on for motivation strategy.



⁵ Judy, Taggart. "Motivation and Leadership for Executive Members, Managers and Committee Chairs." Ministry of Agriculture Food and Rural Affairs. Nov 1996. Rural Facts. Online: 14 Sep 2008. Available: <<http://www.omafr.gov.on.ca>>.

The results supported the Herzberg's two factor theories. Figure 1 shows the top factors that motivate the employees' job satisfaction which are **achievements, high salary, recognition, work itself and advancement**. The Figure 2 shows the factors that prevent their job satisfaction which are **salary, relationship with peers, work conditions, security and illegal work**. However, due to no specific question about the illegal work, it is very unclear to conclude. The questions for this result are more focused on Herzberg's two factor theories because the researcher needed to see how properly MCS Group is using this theory.

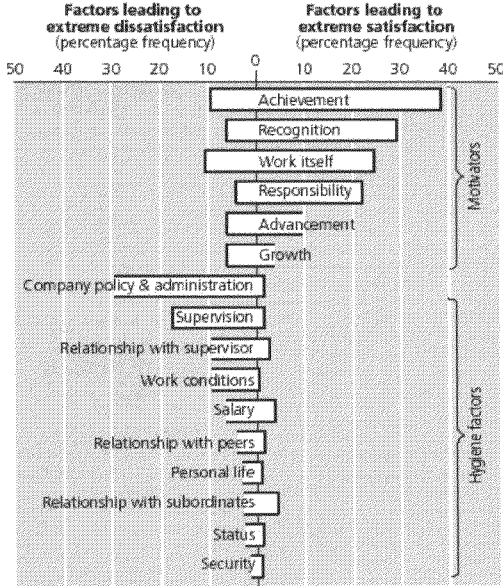
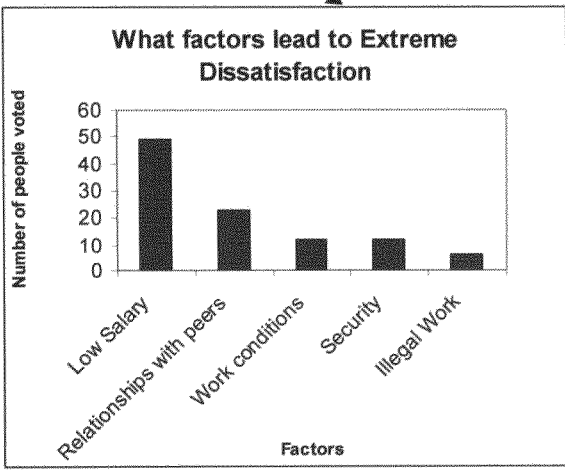


Figure 1

Figure 2

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⁶ "Theories of Motivation." Business. Online: 14 Sep 2008. Available: <<http://www.examstutor.com>>.

The reason that they work for MCS Group is the **high salary** which is higher than any other companies but the company also request high level of knowledge and skills from the employees. Due to no question about the salary level, the researcher cannot conclude the exact statistics and analysis of the salary level of MCS Group and salary level in Mongolia. Therefore, this result is only collected from the survey, not from secondary research.

The collected results show that MCS Group has been using Herzberg's two factor theories properly which worked well to their employees because most of them are really satisfied with what they are doing. The researcher thought that Maslow's Hierarchy of needs would work better than the one that they are using now unfortunately, high salary would be always the main factor for satisfaction therefore, Maslow's theory wouldn't work because the salary is part of the Physical needs and if company cannot fill their employees with their physical needs first, then they cannot go farther which are social and security needs and so on. The participants requested for social and security needs that are office workers which means they are already in safe areas but if they request for more safeties then the employees at the plant would request more. MCS Group really needs to focus on safeties and also organization between the employees.

Conclusions and Suggestions

Overall the MCS Group has good reputation, communication and motivation in the company but there are a few points need to be carried out. The MCS Group should increase the security level by improving the working conditions and also protecting from monopoly.

The company has lack of relationships between the workers. So the managers should organize friendly meetings or activities such as sport day or a day trip to outside the city will help the workers to diversify their friend circle. It will help the company's communication and also productivity. The managers can also switch their workers' tasks to each other. By following this strategy, the workers can learn new jobs and later on it will help the company to fill empty spots and absenteeism. Even the performance of the company might rise rapidly.

The employees of the first bottling plant are satisfied with what they are doing right now which concludes that MCS Group should use the same strategies, objectives and the

motivation theory, Herzberg's two factor theories to promote their new employees for the second bottling plant but they still need to consider social and safety needs.

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