

Chapter – 6 → Management Skills of Leadership & Motivation

Leadership → refers to the ability to influence other people to go in a particular direction and achieve a particular goal. It involves directing staff, setting a clear example of what is expected and delegating work to staff.

Corporate Culture → refers to the general atmosphere and patterns of behaviour in the workplace.

Delegation → means giving authority for carrying out tasks to employees. The manager will hold the employee accountable, however responsibility for the task lies with the manager.

+Benefits:

- Prioritise tasks - manager has more time for more important work.
- Less stress for managers as work gets done quicker. This saves time and money.
- Increases staff motivation and job satisfaction. Employees feel valued and will facilitate a low employee turnover.
- On the job training - Staff become more skilled in decision making and therefore are more willing to adapt to change. Business will have a supply of employees ready for promotion in the future
- Productivity → work gets done faster and more efficiently.

-Disadvantages of not delegating:

- Work overload for the manager. They might end of making mistakes, costing the business time and money.
- Work not completed within the timeframe required. Business will miss deadlines.
- Staff do not improve their skills/experience, so the business does not have well trained employees if a position arises.
- Employees are unmotivated and there is no job satisfaction and lowers morale in the workplace. This might lead to a high employee turnover.

-Why some managers don't delegate:

- Many not believe staff can complete work to the required standard.
- Fear that staff may do it better and undermine the manager's power.

Chapter – 6 → Management Skills of Leadership & Motivation

Types of Leadership:

Autocratic

These leaders do not like sharing authority with subordinates but prefer to make most decisions themselves.

- Have little trust of confidence in staff
- Unwilling to delegate power
- Ignore views of others when making decisions
- Use authority to get their own way
- May use intimidation/fear to persuade

Advantages:

- + Decisions are made quickly and how the manager wants
- + Suits organisations where discipline is important (e.g. army).
- + Useful in crisis/emergency (e.g. saving a business from the brink of bankruptcy)

Disadvantages

- Can overload manager with work = stress
- Demotivates staff as they get little or no training/experience in decision-making
- Lack of trust may lead to industrial disputes.

Evaluation: Does not produce good results, this style is best avoided. Workers become resentful and poorly motivated.

This is best used in emergency or stressful situations.

For example; bankruptcy. A leader takes charge, gives employees tasks and a deadline so that the business can be saved.

Democratic

These leaders are willing to discuss issues with staff and are willing to delegate power and responsibilities.

- Trust ability of subordinates
- Readily delegate authority
- Inclusive decision making, after discussions
- Persuade through reasonable arguments

Chapter – 6 → Management Skills of Leadership & Motivation

Advantages:

- + Better quality decisions
- + More time and less stress for managers
- + Staff is more motivated and loyal therefore have good industrial relations
- + Promotes staff initiative and intrapreneurship

Disadvantages:

- Slower decision making
- Too many opinions may cause quality of decision making to decline

Evaluation: Achieves better results, employees like to feel involved, feel more motivated, use their initiative.

This is best used when employees are knowledgeable and confident and the leader wants to encourage personal growth in his employees.

Laissez-Faire

This involves giving staff general goals and targets to aim for and then giving them the authority to achieve them in the way they think is best.

- Trust staff and delegate freely
- Let staff make decisions unless they are very important
- Willing to listen to others
- Persuade with reasonable arguments and their position of authority

Advantages:

- + Speedy decisions
- + Challenges and motivates staff to do their best
- + Intrapreneurship is encouraged

Disadvantages:

- Inexperienced staff may be unable to handle the responsibility = stress
- Lack of supervision and control may lead to poor and reckless decisions being made.

Evaluation: Employees can take advantage of this freedom, or become unmotivated because of lack of direction.

Best used when businesses rely on employees for their creativity and innovation for success (especially for businesses that engage in research and development)

Chapter – 6 → Management Skills of Leadership & Motivation

Why is good leadership important?

1. Improved efficiency – clear instruction means workers know exactly what to do....no time wasting
2. Improved Co-ordination – all employees work as one for the success of the business.
3. Employee Retention - employees like being trusted, and thus more likely to continue working for the business.
4. Change - a leader acts as a role model for the employees by putting in the effort to make the change happen.

Motivation → is the willingness of people to work hard and to contribute their best effort. Motivating involves the manager energising employees and providing them with incentives so that they will co-operate and work harder for the business.

Can lead to

- Increased productivity
- Greater intrapreneurship
- Improved industrial relations
- Easier staff recruitment and retention
- Repeat business from customers who like the positive motivation of the staff

Chapter – 6 → Management Skills of Leadership & Motivation

Two theories of motivation:

- 1.) Maslow's Hierarchy of Needs
- 2.) McGregor's Theory X and Theory Y

Maslow's Theory → Hierarchy of Needs



- *Self-actualisation needs* → realising your personal potential → meaningful and challenging work, you want to do.
 - *Esteem needs* → status, respect and appreciation from others → attractive job title, praise, promotion, bigger office, bonuses and perks.
 - *Social needs* → friendship and love → friendly work group/ teamwork, staff outings.
 - *Safety needs* → Security, predictability, freedom from worries → secure contract, trade union, good communication.
 - *Physical needs* → basic needs such as sleep, shelter, food and clothing → fair salary, safe working conditions, and sufficient holidays.
- 1.) Basic to complex: human needs begin with the most basic physical needs and lead to the most complex psychological needs.
 - 2.) Each level fully satisfied: when one level is satisfied, the next level up becomes the major motivating factor.
 - 3.) Identify the level of motivation: managers must do this and aim to meet it.
 - 4.) Work up the hierarchy: if basic needs aren't met the employee will remain demotivated even if 'higher' needs are met.

Chapter – 6 → Management Skills of Leadership & Motivation

<u>Need</u>	<u>Example - Kelloggs</u>
Self-actualisation	Employees can take ownership of projects
Esteem	Positively recognises and rewards staff achievements
Social	'Huddles' – informal weekly meetings to receive or request information.
Safety	Working patterns – career breaks, part-time, work from home
Physiological	Competitive salaries, benefit programmes (childcare, company cars, discounted life assurance schemes)

Evaluation:

Maslow's theory is important because it:

- recognises that people are motivated by more than money
- recognises that employees are individuals so different motivators are necessary to maximise their potential and encourage greater effort.
- However, a weakness of Maslow's theory is that people often behave inconsistently and individual needs may not fit Maslow's order of importance.

Chapter – 6 → Management Skills of Leadership & Motivation

McGregor's Theory X and Theory Y.

➤ All managers fit into two groups according to their attitudes.

Theory X managers believe employees:

- Are lazy and dislike work
- Have no ambition, do not want to take part in decision making and need a tough, decisive boss
- Dislike (and will resist) change
- Only motivated by money

They believe they themselves should:

- Only offer financial incentives
- Closely supervise staff
- Avoid consulting staff
- Threaten staff with sanctions

They have a *controller* style. The manager is autocratic, distrusts staff and controls as much as possible. Therefore, the staff resent this style, don't cooperate and avoid intrapreneurship, thus justifying the manager's decisions.

Theory Y managers believe employees:

- Can enjoy work and be trusted
- Have ambition if encouraged
- Are open to change if consulted
- Are motivated by more than money

They believe that they themselves should:

- Provide interesting/challenging work
- Provide staff with freedom from unnecessary interference
- Encourage/praise them

They have a *facilitator* style; therefore staff is more cooperative, morale and motivation rise. Democratic and laissez-faire manager adopt this style.

Chapter – 6 → Management Skills of Leadership & Motivation

Evaluation → disadvantages of Theory X:

- Staff are demotivated
- Less creativity and intrapreneurship
- Poor reputation from lower quality products and services
- Higher staff turnover
- Reduce profitability and long-term competitiveness due to the above

Evaluation → advantages of Theory Y:

- High motivation
- More creativity and intrapreneurship
- Better reputation (higher quality goods and services)
- Lower staff turnover
- Increased profitability
- More positive industrial relations