

Motivation – an Introduction

Why Study Motivation?

The Importance of People

*Motivation is the **driving force or process** which compels **people** to choose a particular course of action.*

Regardless of new technologies it is still **people** that:

- have vision, conceive strategies, make decisions.
- produce, or supervise production of product / service.

A business is only as good as the people it employs.

Feelings, emotions influence behaviour.

To get the best out of people these must be considered.

Consequences of a Poorly Motivated Workforce

People have needs / goals that motivate them to work hard.
If not satisfied then *frustration* results in:

- lateness, absence, sickness, labour turnover.
- poor quality work, low output.
- unwillingness to take responsibility.
- quarrels with colleagues.
- disputes with management.
- accidents.
- damage to equipment or property .

Can lead to: increased **costs**
loss of sales
reduced **profits** due to waste or **inefficiency**.

Competitive Pressures

Business environment – increasingly competitive.
Demographic change – smaller working population.

Pressure to:

- consider employee's needs.
- devise strategies, packages to attract / retain good staff.

Benefits of a Well-Motivated Workforce

- Higher productivity levels, reduced labour cost per unit.
- Improved quality, enhanced reputation.
- Lower labour turnover and associated costs.
- Lower absenteeism, improved punctuality.
- Greater willingness to contribute ideas – could lead to cost-saving ideas, enhanced profitability.
- Greater desire to take on responsibility – saves costs, as less supervision is required.
- Greater willingness to accept change.

Motivation and Marketing

Understanding *why* people behave as they do, explains why people choose:

- particular brand of coffee, make or model of car.
- type of holiday, etc.

Useful in design and promotion of a product / service.

What Motivates a Human?

Basic Assumptions

Psychologists state all human behaviour:

- a) has a cause which is a consequence of the environment.
- b) is rooted in needs or wants.
- c) is goal-seeking.

Example:

Need: In order to survive bodies need warmth.

Goal: Earn money to pay for heating / clothes.

Needs can be classified into two categories:

- **primary** - physiological, inborn / genetically determined, eg food, water, warmth, air, sleep.
- **secondary** - socio-psychological, learned by experience, eg love, esteem, achievement, power.

Individual *perception* very important:

- A person has a need when he / she *perceives* a physiological or psychological deficiency.
- Once need is felt they focus on a goal to satisfy it.

The Importance of Money as a Motivator

Money – a key reason why people go to work.
Need it to pay for food, water, warmth to survive.

Money – used by organisations to reward people.
Can help to motivate a person to work harder.

But...often not the most important motivator.

Other Reasons Why People Work

- Gets people out of the house / provides meaning and structure to the day.
- Provides an opportunity to socialise, interact with others.
- Provides an opportunity to use / develop knowledge, skill.
- Can provide a challenge, sense of achievement, increase power, boost self esteem.

People's Needs are Different and May Change

All of us are different.

What may satisfy one may not satisfy another.

Differences (in cultural backgrounds, physique, intellect) influence:

- our behaviour
- the needs we perceive we have.
- our *perception* of what will satisfy these needs.

Needs differ depending on stage in life, or situation.

Example:

*18 year old school leaver may be more interested in:
Earning enough money to pay for or rent his / her own flat.*

*40 year old manager, worked in same position for 10 years,
already owns a house, may want:
More challenging job, willing to take drop in salary to secure this.*

Motivation and Ability Equals Performance

NB Performance in a job – also a function of ability.

Motivation Theory

Classical

Involves: *studying organisational behaviour by examining the nature of the work carried out.*

FW Taylor and Scientific Management

- Trained engineer, management consultant.
- Concerned with efficiency in the workplace.
- Conducted experiments into labour productivity.
- Applied scientific principles to process of management.

Taylor's Scientific Approach to Management

- Observing workers, recording, timing tasks they carry out (time and motion study).
- Identifying most efficient workers, investigating their methods to establish quickest / best way.
- Breaking tasks down into small parts which can be done speedily, repeatedly, dividing workforce up so that individuals **specialise** in one task.
- Designing equipment to increase speed with which tasks can be completed.
- Establishing strict instructions for employees to follow.
- Supervising workers to ensure instructions adhered to.
- Devising payment systems to reward workers who meet / exceed targets, but penalise those who will not / can not achieve level believed achievable.

Impact of Taylor's ideas on workers:

- few left with variety of tasks.
- lost freedom to choose their own systems of work.
- felt threatened, resented being treated like machines.

Taylor held partly responsible for:

- increase in union membership in America at that time.

*Many ideas **valuable** today in helping to:*

- maximise efficiency and organisational effectiveness.

But, Tayloristic ideas can be heavily criticised for:

- treating workers like machines.
- assuming people only work for money.

Human Relations and Content Theories

Concern the consideration of people's needs rather than the job being done.

Regard organisations as a social environment.

Feel environment can be altered to accommodate needs.

Attempt to measure:

- individual needs, how groups work together.
- effect of supervision on motivation / performance.

Elton Mayo and the Hawthorne Effect

- Born Australian - moved to America in 1923.
- Identified importance of social relationships, communication, interest and attention shown by management in employees, as motivating factors.
- Recognised strength of informal groups over attitudes and performance.

Investigated labour turnover in Spinning mill, Pennsylvania:

- 250% in one department, 6% in another.
- Productivity low.
- Financial incentives failed to increase productivity.
- Found poor productivity, labour turnover was due to: few chances for spinners to communicate with each other.
- **Solution:** two ten-minute breaks.
- **Result:** morale and output improved significantly.

1927-1932 – Conducted experiments at the Hawthorne plant, Western Electric Company in Chicago:

- Investigated relationship between conditions and output.
- Researched 6 women workers.
- Start of experiment - rate of production recorded.
- Every 4 to 12 weeks changes made to working conditions (incentive schemes, working hours, rest breaks, etc).
- Output rose even when conditions worsened.

Mayo deduced - due to **human**, not physical factors:

Employees being observed:

- formed a tightly knit group.
- became fully committed to the experiment.

As they were not told how to work by a supervisor:

- felt they were participating of own free will.
- developed increased sense of responsibility.

Discipline came from within the group itself. They enjoyed:

- communication with management.
- personal attention paid to them.

Influence of degree of interest managers show to workers became known as the Hawthorne Effect.

Also analysed behaviour of a group of 14 male workers:

- Quickly established sub-groups with social, working 'norms' - codes of behaviour which cut across company rules / incentive systems.
- Found: informal groups with own leaders became very powerful in influencing, determining productivity levels.

Mayo's research highlighted the importance of:

- viewing workers as people, not machines.
- taking more interest in them as well as job to be done.
- group incentives to provide workers with a sense of belonging.

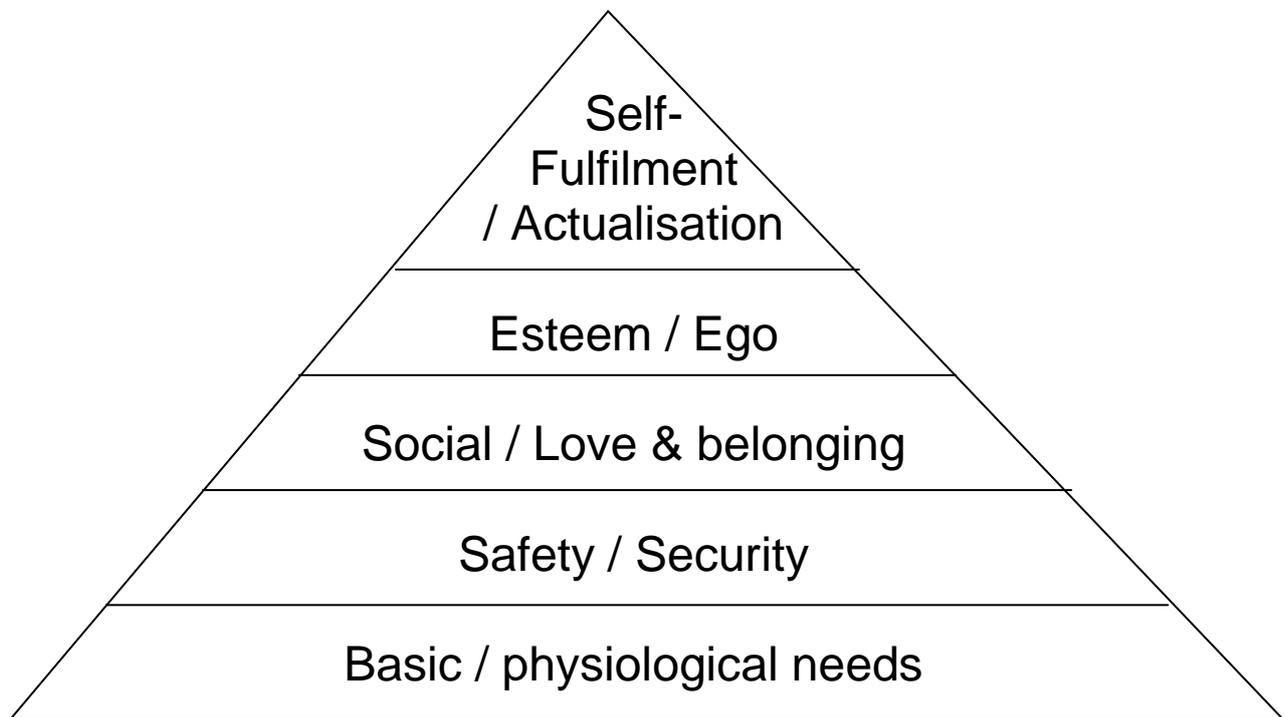
His research led to:

- Social events after work - enabling managers / workers to socialise in non-working surroundings.
- Numerous personnel departments in USA & UK.

Maslow's Hierarchy of Needs

- American psychologist (1908-1970).
- 1939 - 1943: investigations into human behaviour.
- Concluded: all individuals have set of 5 needs which they strive to satisfy.
- Believed these could be arranged in hierarchical order, according to:
level of importance.
the order in which they must be satisfied.

Maslow's Hierarchy of Needs



At any one time one particular need is dominant – becomes a **driving force** which leads to action to satisfy the need.

Once satisfied, that need is no longer a motivator – replaced by higher order need until satisfied, and so on.

Hence:

- people are only motivated by needs not met.
- can only move up when lower needs satisfied.

Several criticisms can be made of Maslow's theory:

- Humans are different, are not likely to have the same needs and have different degrees of need.
- Needs not necessarily satisfied in the order suggested.
- Satisfaction of needs may not be the only motivator.
- Many needs, especially higher order needs may be satisfied from activities outside of work.

Maslow's Theory Applied to the Workplace

<i>Need Level</i>	<i>Workplace Responses</i>
Self-actualisation / Self-fulfilment	Challenging job with creative task demands; organising work into teams so each member can use his or her particular skills; allowing employees to choose which part of work they enjoy most and / or organise work as they want to; appraisals to find out what employee goals are; opportunities for training, development and advancement to enable employees to develop their potential and meet new challenges.
Esteem / Ego	Important / respected / responsible job; high status job title (eg police officer instead of policeman); above average salary; status symbols which go with a job such as company car, own parking space, office or personal secretary; praise and recognition for work well done eg through bonus or pay rise, awards, increased responsibility, promotion; participation in decisions.
Social	Company uniforms; good working relationships; good communications, eg regular team meetings to enable employees to discuss problems and solutions; company magazine or newspaper updating employees on recent events; social facilities and events eg sports facilities, bar, Christmas parties, summer fetes, trips.
Safety	Contract of employment including job description with clear lines of accountability; basic training to ensure sufficient knowledge and skills gained to effectively carry out job requirements; safe working conditions and safe systems of work to include protective clothing and guards on machinery as required; knowledge that the firm is profitable / liquid, thus likely to provide job security; informing employees of changes with reasons for changes, fringe benefits such as pension scheme, sick pay scheme, private health care eg BUPA; priority to promote internally when vacancies occur.
Basic / Physio-logical	Basic pay, working conditions and facilities including: canteen, heating, ventilation, air conditioning and toilet facilities, regular rest breaks.

Herzberg's Two-Factor Theory

- 1950's: University of Pittsburgh
- Influenced by ideas of Maslow.
- Led research into factors affecting job satisfaction.

Investigated 200 engineers, accountants - Pittsburgh,
 Asked them to describe when they felt especially satisfied,
 dissatisfied:

Identified two different sets of factors:

Motivators	Hygiene
<ul style="list-style-type: none"> • Achievement. • Recognition for achievement. • Meaningful, interesting work. • Responsibility. • Growth & Advancement. 	<ul style="list-style-type: none"> • Company policy & Admin. (rules & procedures). • Supervision (too much). • Interpersonal Relations (peers, colleagues, subordinates, customers). • Working conditions (breaks, ventilation). • Pay, Status, Security.

Motivators - if present in a job they could:

- encourage employees to work harder.
- give rise to job satisfaction.

Hygiene / maintenance factors – if present help to prevent:

- job dissatisfaction, drop in worker output, but...
- ...would not persuade employees to work harder.

Motivators concern **work itself / job content** – relate to Maslow's lower order needs.

Hygiene factors concern **work environment** – relate to Maslow's higher order needs.

Herzberg suggested motivation could be improved by:

- giving workers opportunities to use their abilities.

Suggested workers should be provided with:

- challenging tasks, as opposed to repetitive tasks.
- direct feedback on quality of work completed.
- individual responsibility for quality of work.
- direct communication.

Similar studies failed to support Herzberg's theory.
Many have questioned placing money as hygiene factor.

But...Herzberg's work:

- highlighted importance of psychological growth for providing long-term job satisfaction.
- focused attention on design of jobs to provide growth.

Managers should provide:

- strong motivational factors such as enriching jobs.
- maximise responsibility, achievement, and recognition.
- ensure hygiene factors are also catered for.

Problems – once pay and conditions have been improved:

- likely to be taken for granted.
- better conditions asked for in future years, eg wage claims above rate of inflation.

Job enrichment schemes can also be expensive.

Plus, difficult to structure all jobs to:

- ensure they are challenging and rewarding.
- achieve the necessary level of efficiency.

Process Theory

Analyse how employees make decisions – their thinking behind decisions. Believe that individual's expectation of outcome influences behaviour.

Vroom and Value-Expectancy Theory

Motivation to behave certain way - depends on:

- a) how attractive outcome / reward is.
- b) perceived likelihood that action will achieve outcome.

Force (motivation) = valence x expectancy

Force = strength of the urge to act / behave in a particular way, degree of motivation.

Valence = perceived attractiveness / value of the outcome.

Expectancy = perceived likelihood outcome will be achieved.

Valence of outcome will:

- differ between individuals, and over time.

Expectancy will depend on:

- behaviour of an organisation.
- experience and prejudices of person concerned.

Example: Bonus for increased output.

Additional pay may / may not be valued by an employee.

Similar promises before - nothing – so why make the effort.

High valence / low expectancy won't produce high motivation.

*Managers must analyse motives of **employees** and provide:*

- achievable, realistic goals.
- rewards which **employees** perceive as important.

This theory can be criticised:

- assumes people always act in rational, logical way.

Motivation in Practice – Non-financial Methods

An Introduction

Financial rewards often used to motivate employees and improve productivity.

Other factors are important, such as:

- Breaks, holidays.
- Job security.
- Safe, healthy working environment.
- Friendly colleagues, superiors, subordinates.
- Interesting, stimulating tasks.
- Recognition for effort, achievement.
- Chance to take responsibility, chance of promotion.
- Independence.
- Opportunities to show flair and initiative.

Expansion of mass production systems led to:

- high degree of specialisation to maximise productivity.

Specialisation enables employees to:

- become experts in performing tasks.
- be quicker and / or to generate less wastage.

Can lead to employees losing interest, as job:

- becomes boring and repetitive.

Can lead to:

- increased absenteeism, high labour turnover.
- lower productivity, poor quality work.

Methods to increase job satisfaction involve:

- redesigning jobs to make them more challenging/fulfilling.
- giving people more autonomy over aspects of their work.
- allowing people to work in teams.

Job Enrichment

Definition

Providing employees with more challenging tasks and / or greater responsibility and ultimately, opportunities to demonstrate their abilities.

Explanation

May include allowing employee on production line to:

- plan their work.
- order materials.
- supervise others.
- carry out routine maintenance.

May involve different skills, carry additional responsibility.

Linked to Herzberg's theories on motivation:

Greater responsibility at work helps to motivate individuals.

Potential advantages and disadvantages: + -

- + **Greater job satisfaction** for individual employees.
- **May not suit all** – some not willing / have the ability.
- **Training costs.**
- **Increased pay / union disputes.**
- **Drop in productivity** due to lack of specialisation.

Job Enlargement

Definition

Providing staff with more tasks of same/similar nature.

Explanation

Employee given several different tasks to do all requiring similar level of skill.

Examples:

Shop floor workers in supermarket:

- move from filling shelves in grocery department to
- rotating goods in produce department.

Checkout assistant also serving behind deli counter.

Potential advantages and disadvantages

Providing some variation of tasks may help to:

- reduce potential boredom from just concentrating on one task, increasing job satisfaction and productivity.
- Increase efficiency with workers easily being able to fill in for others in the case of absentees.

May also require much less training than job enrichment.

However, it may:

- not motivate those who would prefer extra responsibility rather than more of the same tasks.
- still lead to claims for additional pay.
- result in a fall in productivity as employees find it harder to concentrate on several tasks rather than one, and / or switch between tasks.

Empowerment

Definition

Giving employees the authority to make decisions and / or control their own activities.

Requirements

- Recognition that employees are capable of doing more than they have done in the past.
- High degree of trust.
- Making employees feel confident in their own abilities.

Potential barriers

- Willingness of managers to delegate power.
- Ability of employees.

Potential advantages and disadvantages

Potential advantages:

- Employees feel more valued, more motivated.
- Employees feel less stressed (as there should be less supervision) resulting in less illness / absenteeism.
- Decisions made by those most suited to make them.
- Managers freed up to concentrate on planning and organisational development, rather than supervision.
- Lower costs – less supervision may be required as employees become more responsible.

Potential disadvantages:

- Employees may still demand more pay for the extra decision making responsibility.
- Managers may feel insecure – fear loss of control.
- Increased training costs.

Team working

Definition

Where the production or provision of a service is organised into autonomous working groups, instead of individual employees specialising in individual tasks.

Explanation

Groups of employees responsible for a particular department, product or process, are allowed to decide how work is to be divided and controlled in terms of speed and pace, including timing of breaks.

Linked with Mayo's ideas re: social needs.

Potential advantages and disadvantages

Potential advantages:

- Better decision making and increased productivity.
- Greater innovation / willingness to take risks.
- Less disruption to the workplace, eg flexible workers.

Potential disadvantage:

- Greater scope for conflict.

Motivation in Practice – Financial Incentives

Piecework

Where payment is made for each quality good produced to encourage workers to increase productivity.

Can be on an individual or group basis.

Relative advantages

- Increased incentive to work hard - increased productivity.
- Less supervision required.
- Group schemes may encourage teamwork – minimise potential conflict.

Relative disadvantages

- No basic pay to fall back on if machinery breaks down, supplies not delivered on time, quality unacceptable - may cause resentment, lead to feelings of insecurity, adversely affect motivation and productivity.
- More supervision may be required to ensure quality and safety does not decline.
- Group schemes may be perceived as unfair if one or two members don't put in as much effort as others.

Appropriateness

- Where individual or group output can easily be measured, such as manufacturing.

Performance-related Pay

A payment system whereby staff whose work is considered above average are rewarded.

- Used for staff whose work cannot be assessed easily numerically (eg volume/value of units/products sold).
- Common to white collar workers where annual salary is linked to performance during the year.
- Used widely by banks, building societies, insurance companies as well as production managers, civil servants NHS, local government.

Method for determining PRP:

1. Establish targets (at an appraisal interview) for employees involved in the scheme.
2. Review and discuss employees achievements against targets.
3. Award outstanding achievement with pay rise / bonus.

In some cases the entire salary will be reviewed and depends upon this process.

Relative advantages

- Chance to earn more money may increase employees motivation and performance.

Relative disadvantages

- Rewards individuals, does little to promote teamwork.
- Can cause unhealthy rivalry between those involved.
- Staff often suspect those awarded maximum bonus / pay rise secured this through favouritism.
- The above may damage relationships, team spirit.

Profit Share

Can be regarded as an extension of a group payment by results scheme, where employees receive a bonus based on the business's profits.

Can represent a substantial bonus on top of basic earnings.

Relative advantages

- May encourage employees to consider whole business rather than concentrating on own job.
- May reduce conflict, increase co-operation, motivation.
- May encourage cost saving / revenue generating ideas.
- May encourage employees to work harder and smarter but not stop them working as a team.
- Focus on profitability may make it easier to accept / lessen resistance to change.

Relative disadvantages

- May seem meaningless, have no effect, if only a small proportion of profit is awarded.
- May create conflict with shareholders and / or reduce the amount of capital available for long-term investment.
- Employees may not be motivated if they feel their own efforts are not likely to have much effect on the organisation and its profitability as a whole.

Share Ownership

Provide employees with the added incentive of being part owners of the business in which they work.

Save As You Earn (SAYE) and Share Option Schemes.

SAYE:

- Staff usually save about £50 a month, over 5 year period.
- At end of the period can convert savings into shares at price the shares were at the start of the 5 year period.

Share Option Schemes:

- Senior managers given the opportunity to buy company shares at discounted price, at agreed date.

Relative advantages

- May encourage employees to increase work effort in order to help the business build up and grow.
- Encourages employees to remain loyal to firm for several years, minimising labour turnover and associated costs.

Fringe Benefits

Any benefit provided in addition to salary or wages.

Above schemes could be regarded as fringe benefits. Consist of numerous other privileges, facilities or services provided by a firm in which an employee works, such as:

- Retirement, pension advice and planning.
- Pension plans.
- Paid and unpaid holidays.
- Sick leave.
- Loan and mortgage facilities.
- Relocation Grants.
- Generous expense accounts.
- Company car.
- Car parking facilities / vouchers.
- Subsidised canteen facilities.
- Social facilities – eg company bar, leisure club.
- Health / fitness club membership.
- Subsidised health, dental and / or life insurance.
- Medical check-ups.
- Long-term disability cover.
- Assistance in filling out tax forms.
- Flexible working arrangements.
- Discounts on the firm's products.

Relative advantages

- May help to attract good staff.
- May help to keep employees loyal to the firm, thus reducing labour turnover and associated costs.
- Funding benefits, rather than pay, may actually be cheaper as National Insurance does not have to be paid.
- Employees may prefer some benefits rather than pay, eg private medical insurance.

Relative disadvantages

- Does add to cost of employing labour but this may be offset by benefits outlined above.

Salary

Monies paid to employees for work undertaken, usually on a monthly basis, and based on the amount of time spent at work as opposed to output or performance.

Rates – fixed in relation to standard no. of hours worked per week (written in contract of employment).

Manual workers: may be paid weekly.

White collar workers: usually paid monthly.

Overtime

Common to this system is overtime pay – *where workers are often paid a higher rate if they work longer than their contracted / agreed hours.*

Overtime payments – more common to **manual workers**.

White collar workers – often expected to put in additional hours without extra pay, may receive time off in lieu.

Overtime can be cheaper and more flexible than recruiting new staff in the short-term, but if used repeatedly...

- may prove less cost-effective in the long-term.
- workers may depend on it as extra pay and conflict may occur if opportunities for overtime suddenly withdrawn.

Incremental pay scales

With time rate systems there is scope to increase pay according to age and experience, length of service and performance, for example:

- teachers receive salary increases each year in line with experience gained in the profession.
- many firms employing manual workers give pay rises each year they stay with the firm - to encourage loyalty, minimise labour turnover and associated costs.

Relative advantages

- Employees have guaranteed income which may promote feelings of job security.
- Total wage bill for the year (excl. overtime) is known in advance - helps budgeting, forecasting, decision making.
- High quality products / services may be more likely as workers focus on quality first, quantity second.

Relative disadvantages

- Little incentive to work hard, supervisors may be required to ensure workers working at acceptable level.
- Staff who work particularly hard may resent being paid at the same rate as those less productive or conscientious.

Appropriateness

Time rate payment systems are most appropriate when:

- it is difficult to measure output or performance of individual workers, for example, teachers or nurses;
- quality matters rather than quantity.

Least appropriate when:

- the business is subject to significant changes in demand, for example:

situations where employee may be idle from 2 or 3pm every day but still get paid for a full day's work.

Leadership and Management Styles

Introduction

Leadership – a Definition

The practice of motivating, influencing and inspiring others to high job performance and personal fulfilment.

What makes a good leader? – the basics

- Knowing the direction that needs to be taken.
- Planning how to achieve this.
- Persuading others to follow.

Characteristics of a good leader

A good leader may have: positive self-image, vision, realistic aspirations, ability to listen, ability to get to 'core' of problem, ability to sense the need for change and respond to it, commitment to suggest radical solutions, expert knowledge: and may be: well-read, articulate, creative, charismatic, focused, organised, methodical, supportive, responsible.

Relevance

Managers/leaders affect motivation and performance of staff and performance of business in general through decisions they make and the way in which they manage others.

Tips / Pitfalls to avoid

Choosing the most suitable leadership / management style will depend on:

task and time available, nature of the workforce, group size, group personality, leader's personality and ability to change.

Leadership Styles

Authoritarian

Characteristics

- Leader / manager sets objectives and policies, allocates tasks and work groups to each member, makes all decisions, insists on obedience.
- Leader tends to be personal in praise or criticism, remains aloof / distant except when explaining or demonstrating.

Potential advantages

- Good control.
- People know what to expect (security).
- Enables fast decision making.

Potential disadvantages

- Group become too dependent on leader, resulting in the need for high levels of supervision, increasing costs.
- People feel oppressed and frustrated - not having any responsibility or participation in decisions – feeling under-valued, unfulfilled, results in poor levels of motivation and associated costs (poor productivity, labour turnover).
- Fear of punishments can also lead to poor performance.

Paternalistic

Characteristics

- Autocratic, though decisions are intended to be in the interest of the workforce. Similar to parenthood – deciding what to do best for the ‘children’.
- Leader is likely to explain the reasons for his / her decisions, may even consult staff before making them, but delegation is less likely.

Potential advantages

As autocratic but also:

- Can increase motivation as employees’ social needs are cared for.

Potential disadvantages

As autocratic, excluding fear of punishment.

Democratic

- Leader consults with staff, listens to their ideas, acts upon advice, explains the reasons behind decisions.
- Leader delegates a great deal, may even give members freedom to choose with whom they work, decide how tasks should be divided.
- Leader tends to be more objective or factual in praise and criticism.

Potential advantages

- Implementation of decisions easier – staff have had input – more likely to be committed to carry decisions through.
- Better quality decisions – different viewpoints provides a method for checking reliability / accuracy, plus employees have first hand knowledge about their jobs.
- Employees feel valued – resulting in more positive relationships between staff and management.

Potential disadvantages

- Decision making may be slow.
- Leader may not agree but feel obliged to accept decisions.
- Team members may not have sufficient knowledge or experience to make decisions.
- Greater scope for conflict.

McGregor's Theory X and Y

Identified two opposing attitudes:

- Theory X - linked to classical views: money is the main motivator, workers need to be controlled / supervised.
- Theory Y - linked to human relations theories which emphasise the importance of higher order needs.

McGregor's Theory X and Theory Y

Theory X	Theory Y
People are lazy, dislike work, try to avoid it.	People want to learn, work is natural to them, the average person does not dislike work.
People must be coerced and controlled in order to work hard.	People are able to exercise self control / direction over their work, feel rewarded by their own achievements, work towards achieving organisational rather than financial incentives.
Average person wants to avoid responsibility, prefers to be directed.	Average person learns to accept and seeks responsibility.
People are not generally ambitious, take no initiative, have security as their greatest need.	People can solve problems through their own imagination and ingenuity, Are naturally ambitious, and Seek to realise their potential.

If workers perceived by managers as Theory X – more authoritarian organisational structure and managerial style considered appropriate to ensure cooperation & productivity.

If workers perceived by managers as Theory Y – more democratic approach may be taken, ie one which allows choice, freedom and involvement in decision-making.

Motivational problems arise when employees who require and expect theory Y management, receive theory X, and vice versa.

Factors Affecting Leadership Style

- **Task and time available to complete the task.**
- **Nature of the workforce / the people involved.**
- **Group size.**
- **Leader's personality, ability or perception.**
- **Group personality.**
- **Tradition of the organisation.**

The most effective leader is one who has the ability to:

- a) diagnose the human and organisational context.
- b) decide what behaviour best fits this situation.
- c) adopt the appropriate style.

Managers / leaders may not be able to change their style:

- the manager may not be flexible enough.
- he / she may believe in the autocratic system.
- subordinates may not accept the behaviour of a particular leader who adopts an autocratic style.

Team-based versus them and us, including issues relating to single status

Team-based versus 'them and us'

Past beliefs - managers lead, people are led.

Clear divide between these two groups.

Evident in the following ways:

- Payment – workers weekly wages, managers salaried.
- Separate canteens.
- Extra benefits and different holiday entitlements, etc.

Led to an attitude termed 'them and us' - employees see their status within the firm as different to managers.

Such perceptions:

- do little to promote the positive working relationships required to maximise performance.
- can induce conflict.
- make change much more difficult to implement.

Team based management *involves the organisation of workers into decision making teams, with managers acting as facilitators, rather than instructors telling employees what to do.* Relies upon:

- Clear goals / common sense of purpose.
- Willingness of employees to take control over work.
- Ability of employees to make appropriate decisions.
- Willingness of managers to let them.
- A high degree of trust.
- Conscious effort to remove distinction between managers and workers eg everyone called team member/associate.

Single Status

Involves all employees, (management or staff), being treated the same - does not just involve a change in job title.

Eg everyone being salaried (still obviously different according to different skills) and receiving the same terms and conditions as management, eg the same: eating / car parking facilities, holiday entitlements, sickness benefits.