

6 Management skills I: Leading and motivating

Learning objectives

In this chapter you will learn about:

- 1 The management skill of leadership
- 2 The management skill of motivating

Leadership

Leadership is the ability to influence people to follow a particular path or direction. In management, this involves:

- Delegating
- Directing
- Personal charisma
- Setting an example.

Delegating

This is where the manager allocates **responsibility** for certain tasks to a subordinate and gives them **authority** to carry out those tasks. Ultimate responsibility remains with the manager.

Top Tip!

You should be able to list and explain the benefits of delegating.

Benefits of delegating

- Tasks are completed more efficiently
- The manager has more time to deal with important matters
- Subordinates get trained in decision-making
- Subordinates get more job satisfaction and become more motivated
- The manager can see how well subordinates cope with responsibility

Styles of leadership

- Autocratic
- Democratic
- Laissez-faire

Autocratic leader

- Likes to be in **control**
- **Delegates little** authority to others
- **Does not consult** others very much before making decisions

- Uses **fear** to control and motivate staff
- Places **little trust** in employees

Democratic leader

- Shares **power** and control with others
- **Delegates authority** to subordinates
- **Seeks opinions** and ideas from others before making decisions
- **Persuades** rather than gives orders
- Builds up **trust** with other members of staff

Remember

You must be able to name different leadership styles, describe each leadership style and compare the different styles.

Laissez-faire leader

- Lets subordinates set their **own goals** to a great extent
- **Delegates** almost all of the authority to subordinates
- Places a great deal of **trust** in subordinates

Motivating

This is the ability to get people to work hard. Using motivation well, a business can harness all the energy and creativity of its staff to achieve its objectives.

Theories of motivation include:

- Maslow's Hierarchy of Needs theory
- McGregor's Theory X and Theory Y.

Maslow's Hierarchy of Needs

Abraham Maslow (1908–1970) produced a theory of human motivation to explain how people are motivated. He said that:

- Everything we do is done to satisfy a need
- These needs can be grouped into five categories, and these five categories can be arranged in their order of importance
- Once a lower need is satisfied, it no longer motivates and a person can then be motivated by the needs at the next level in the hierarchy.



Maslow's Hierarchy of Needs

Top Tip!

You must be able to draw and label the diagram for Maslow's Hierarchy of Needs.

Maslow's Hierarchy of Needs: Explanatory chart

Level	Needs	How a manager can satisfy the needs
1 Physiological	Food, shelter, warmth	Good wages, overtime, canteen, heating
2 Safety/security	Feeling secure and safe at work, feeling secure about the future	Job security, pension, right to join a union, health and safety systems
3 Social/acceptance	Friendship, being part of a community	Teamwork, friendly atmosphere, social activities
4 Esteem	Status, respect, recognition	Job title, company car, promotion, authority, praise, awards
5 Self-actualisation	Achieving personal goals, realising one's potential	Interesting and challenging work, career development

McGregor's Theory X and Theory Y

Douglas McGregor (1906–1964) studied what managers believe about their workers and concluded that, broadly speaking, managers are one of two types: **Theory X** or **Theory Y**.

Theory X managers believe that most workers:

- Dislike work
- Avoid responsibility and lack ambition
- Dislike change and resist it.

As a result, Theory X managers believe that to motivate employees they must:

- **Supervise** the workers very closely
- **Offer incentives** and bonuses to get good work done
- **Threaten** workers with sanctions like unpleasant duties, suspension or dismissal to ensure co-operation.

Theory Y managers believe that most workers:

- Enjoy work if it is interesting and challenging

Point to note

Theory X managers are referred to as **controller managers**.
Theory Y managers are referred to as **facilitator managers**.

- Are committed, ambitious and work to the best of their ability
- Are motivated if consulted about how their work should be done.

As a result, Theory Y managers believe that to motivate employees they must:

- **Make work** interesting and challenging for the employees
- Try to satisfy the **higher needs** of the workers
- **Discuss** with the employees how their work should be done.

Top Tip!

When asked about motivation as a management skill, make sure that you refer to the different **theories of motivation** and how they can be used.

Exam question

- 1 Outline two styles of leadership and illustrate how each of these styles may be appropriate in different business situations.

(2012, Section 3, Question 4(C), 20 marks)

Sample answer

Autocratic

Leader likes to be in control of things and does not delegate; little consultation with employees, frequently dictating instructions; opinions of employees are not considered

- All major decisions are made by the leader and orders are issued and directives are made to be obeyed without question.
- Fear and threats are used as motivators; little trust in employees.
- Manager suffers from overloading and the quality of their work suffers.
- Subordinates get little experience of management and promotions are mostly external.
- Morale can be low among staff; staff turnover can be high; staff become frustrated: industrial relations disputes follow.

Illustration

This style of leadership may be appropriate in a crisis or emergency situation where tough decisions may be needed quickly – e.g. turning around a business, facing insolvency.

Democratic

- Power is shared with staff.
- Authority is delegated to staff, but ultimately responsibility rests with the manager.
- Opinions/ideas/feedback are sought before decisions are made and tend to be better as a result.
- Trust is built over time with staff, who feel more valued and motivated.
- Promotions are internal, since staff get experience of management.
- Intrapreneurship may occur.
- Decision-making can be slow and delayed.

Illustration

It may be appropriate in a business that promotes teamwork (e.g. Google). Works well in an environment where staff can handle responsibility.

Laissez-faire

- Management has a facilitative role (guide) and does not get involved in the day-to-day running of the business.
- Almost all authority is delegated to staff.
- Huge trust is placed in staff.
- Highly motivated and trustworthy workers use their initiative leading to very high levels of intrapreneurship.
- Staff are empowered rather than ordered.
- Greater freedom is given to staff in setting their own goals.
- Managers are free to deal with more strategic matters.

Illustration

This may be used by high-tech industries that rely on well-educated and highly self-directed employees. It is the prevalent form of leadership in firms engaged in R&D and advertising, where creativity is valued.

Marking scheme

- Two styles of leadership: 2 x 10 marks
 - 5 marks for naming and explaining style
 - 5 marks for appropriateness in Business

Questions

Higher Level long questions

- 1 (i) Explain the term 'delegation'.
(ii) Describe the benefits of delegation for a manager. (2009, 20 marks)
- 2 Analyse the implications for a business of a manager adopting a Theory X approach to managing. (2009, 20 marks)
- 3 Explain the management skill of motivating. Evaluate the benefits to a business of having a well-motivated staff. Illustrate your answer with examples.
- 4 Discuss three styles of leadership. (2006, 20 marks)
- 5 Describe one motivational theory commonly used in management. (2006, 10 marks)

Key-points!

- Different leadership styles
- Benefits of delegation
- Maslow's Hierarchy of Needs theory
- McGregor's Theory X and Theory Y

Key-definitions!

autocratic leader: A leader who keeps tight control on power and directs others using fear of sanctions to motivate staff.

Maslow's Hierarchy of Needs: A theory of motivation that managers can use which is based on satisfying the needs of the employee as a way of motivating them to work hard.

McGregor's Theory X and Theory Y: A theory of motivation of staff which is based on the managers' perception of workers' attitudes to their work.

motivating: A management skill which uses various approaches to get staff to work hard for the business.

self-actualisation: One of the needs of workers identified by Maslow in his theory of motivation, which is the need to be challenged by your job and to achieve to the best of one's ability.