One
Setting the scene

> *The expectations of life depend upon diligence; the mechanic that would perfect his work must first sharpen his tools.*
>
> **CONFUCIUS – PHILOSOPHER**

This book has been designed to help you develop your skills or ability; the way that you practise as a manager in a small organization.

The first section offers some of the 'tools' that a manager can use to work more effectively with people. The second section looks at some of the contexts in which these 'tools' can, and should, be employed and introduces the idea of the 'job contract', the contract between manager and employee which begins on the day that the manager places a recruitment advert or the employee sends off a CV. The informal job contract is about the expectations created between the manager and the employee. The formal job contract is a written symbol of this relationship.

Although this book refers to managing people, that might be misleading. Managing people is a problematic task. This book is about managing the relationship between the manager and his employees. Successful managers, and successful managers as leaders, do not manage *people*, they manage their *relationships* with people. The final section of the book looks at integrating this in practice.

Throughout I will refer to the manager as 'he'. This is not to imply that only men manage; it is intended to include all managers whilst avoiding the clumsiness of constantly referring to 'he or she'.

Sally Ann Thorn generally hadn't the time to look in bookshops these days. They'd been having so many problems at the Norham Road site that it was looking as though they might have to close it. It had taken them two years to open it, and it was possibly going to close after less than nine months. Sally couldn't understand why, but the staff seemed to be doing what they liked.

Sally was killing time, having offered to take her mum Christmas shopping; she wandered into the local bookstore and was amazed at the number of books on the shelves offering advice on management and running a business. Picking up one after another, she scanned the blurb and briefly looked through them before putting them back.

"Are you looking for anything in particular?" A salesperson had come up behind her and was hovering.

"No, I was just browsing. A lot of titles, aren't there?"

"Oh yes, 'business' is our fastest growing section."

"I wish that we could say the same," said Sally, her mind still on Norham Road. "Still," she said, putting back the book she was holding, "it looks like a lot of ways to say the same thing to me."

"Well, I suppose you could say that. But these books are very popular. Lots of people buy more than one title."

"They don't change anything though, do they?"

The salesperson backed away. "No," he said. "Not if you don't want them to."

As Sally turned back to the shelves she thought about what he'd said.

Objectives

In one sense, managing people is both an easy and a difficult matter. It is easy because it means using skills that we've developed all our lives. It is difficult because we fail to recognize the complexity of the situations in which we find ourselves, and often apparently simple situations involving two people can be incredibly complex; just think about a marriage or parent/child relationship. Each of the skills needed is a tool in the toolbox we call 'experience'. The problem with our toolbox is that we often don't appreciate the range of tools already available to us when managing people. We tend to stick with a few comfortable tools that we've used for years. We've got a hammer in there and a screwdriver, maybe a couple of chisels. Unfortunately, using the same tools again and again without maintenance tends to blunt them. And of course, when our tools don't work we either smash the machine, call in a specialist engineer, or simply walk away with the job half-finished.

Being an effective manager means taking stock of your toolbox, bringing out tools that you've not used for a while or that you may have used in the wrong way, and sharpening the ones that you have been using. That is what this book is about.

No book will change anything in any major way unless you want it to. This book is intended to help you consider some of the issues involved in managing people in a small organization. It is different from other books in that it is

designed to help you realize how much you already know, rather than wasting your time with irrelevant information.

It is aimed at people working in small manufacturing, retail or service organizations employing up to 50 people. It may be useful to you if you want to look at new, more effective ways of managing people in small organizations. It will be useful to you if you are managing people for the first time.

This book defines an organization as something in which people act together for a common purpose. They can pursue profit-related activities or non-profit activities. As entrepreneurial skills come to be more highly regarded in many organizational environments, it may also be useful to project or departmental managers who work in small units within larger organizations. It offers a framework that states that in order to manage people effectively, you need to manage relationships effectively. This may involve considering:

1. the 'rules' of the relationship;
2. the support or maintenance given to the relationship; and,
3. the way in which the relationship develops and is developed.

Relationships are much easier to manage in the context of this framework. Considering the management of relationships rather than the management of people will also offer you a more flexible way of managing because it gives you more things to manage: the manager-employee relationship, the employee-employee relationship, and so on. Managing people gives us one way of looking at the problem: "I told him what to do and he wouldn't do it – there must be something wrong with him". Managing the relationship gives a more accurate way of looking at a problem: "I told him what to do and he wouldn't do it – there must be something wrong with the relationship".

How this book proposes to achieve these objectives

This book is designed to help you manage people more effectively. It takes as its starting point a number of assumptions. The first, as we've noted, is that effective managers manage their relationships with employees rather than trying to manage their employees directly.

The second of these is that managing relationships is something that we all do from an early age. Management skills – negotiation, communication, learning and setting goals – are essential parts of growth and development for human beings. You already use a considerable number of management techniques without actively considering how they work. This book aims to help you examine the ways in which you use these techniques, examine them and improve them where necessary.

The third assumption is that management can be learned more effectively if it is relevant to the needs of the learner. Wholesale learning, learning that is offered because someone else thinks that it would be good for you, will not help you learn effectively.

The fourth is that each of the skill areas addressed in the first half of this book is unique to you as an individual. No two people learn in the same way. No two people manage stress or time in the same way and no two people communicate in quite the same way. Each of these skills is unique to you as a person.

This will enable you to assess your own approach to issues such as time management, management of pressure, communication and its functions. Once you know where you are, you can adapt the broad approaches within to suit your style. Effectively, this book is a tailored book designed to fit your individual needs.

Functions of theories

Theories are a distillation of other people's experience. They help us borrow that experience and develop solutions to problems that we may face. A theory is not something that should be held in reverence or considered to be any more useful than your own experience. If a theory does not work for you, you should disregard it.

Theories should be flexible and adaptable to the needs of the people who use them. This means that this book does not offer you one 'best way' or 'right answer'. When we are working with people there is no single 'best way' or 'right answer'; there is only that which is appropriate to the particular time and situation in which you find yourself. Something that works on one occasion with a particular individual may not work on another day or with someone else.

Theories are also about survival. They help you make sense of reality and manipulate and control it. This means that they act as a map that will get us around the world in comparative safety. Since all theories must leave things out, it is important not to confuse the map with the landscape. Theories are a tool to help you deal with both your personal world and your world of work.

Finally, remember that theories are only powerful because they enable us to feel comfortable. Remember that you control the theory that you use, the theory does not control you. You can chop bits off a theory, add bits to it or combine two theories together. If it works for you when you do this, congratulations: you've just invented a new theory.

Each of the following chapters will offer you a number of theories about some elements of management. Let's say, for instance, that you want to look at team building. The chapter on team building will offer you a variety of different ways of looking at the process of building a team. None of these theories will offer you a complete picture of what team building is about. You are likely to find that putting the theories to work means that you will borrow bits from each one offered in order to build something that works for you.

The 'Health Warning' on this book is that you can regard all the viewpoints it offers as being equally valid. If you feel that one particular theory has all the answers, you should stop and look again. Team building is not just about Belbin's team types, nor is leadership just about 'team, task and individual'. Each of these theories is one way of looking at how you can manage people effectively. The more ways of looking at management you have, the more tools you will be able to bring to bear in actually doing it. The fact that there can be more than one valid way of looking at the world is shown by the illustration of the Necker cube below.
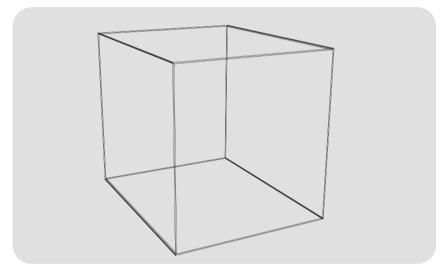

FIG. 1.1 THE NECKER CUBE

Look at the Necker cube. After a while you will see that it changes from being a left (or a right) facing cube to being a right (or a left) facing cube. This is because your brain is equally comfortable interpreting the information it receives in either way. Seeing the Necker cube as only a right facing cube or a left facing cube would be wrong. It is both. In order to develop an effective way of managing people we need multiple views of looking at the world. You may wish to order or prioritize these multiple viewpoints and one way in which you can do this is through a systems' viewpoint.

A systems' viewpoint

When working in any organization, it is often very easy to make a quick analysis of what's going wrong. Some of the 'common sense' diagnoses of problems are:

- 'it's the system'; or,
- 'the lazy so and so won't work'; or,
- 'this organization is so political'.

In order to obtain an accurate picture of what goes wrong in organizations and what steps can be taken to put things right, it can be useful to consider a systems' view of organizational life.

A systems' view is one that purports that everything is made up of a number of elements connected in some way or another and that changes in any of these will affect the others that are connected to it.
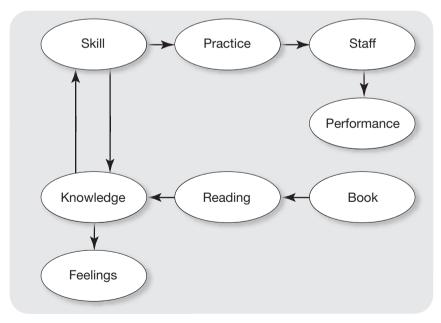

FIG. 1.2 SYSTEMS' MAP

Systems' viewpoints are sometimes arranged in a hierarchy in order to make them more understandable. Thus, a motor engine would be a system for converting fuel into power. It would be a sub-system for a car, which in turn would be a sub-system for a city transport system, and so on.

This book uses a systems' view of people management in that it states that you need to develop a skills system: the ability to communicate, negotiate etc, in order to manage your relationships with people effectively. It also treats recruitment and selection as a system that will affect staff performance, and team building as a system that will affect leadership.

A systems' view can offer you a way to integrate a number of perspectives and arrive at a better diagnosis, which will in turn give you a better basis for taking action. A systems' approach can help you take a more effective and balanced approach to managing people. Systems' views give a three (or multi-) dimensional picture and systems' approaches give a three (or multi-) dimensional toolbox to change the picture.

How to use this book

You can use this book in a number of ways:

- **Purely as an assessment guide**. We all like to find things out about ourselves, and this book will offer you insights into the way you manage and it may offer you food for thought as to the way in which you work with people in future. You can use this insight as a basis for discussion with family or friends and it may help to widen your desire to learn and develop your management practice. This book cannot perform miracles. It is designed to help you consider how you might develop as a manager. If you do not want to develop as a manager, it will not do anything for you at all.

- **By dipping in and out of the input sections**. This may enable you to deal with particular problems that you may be facing. These sections will not give you, for example, the definitive way to develop

a team that will operate a flexible manufacturing system effectively. They will, however, help you look at some of the underpinning issues which can be adapted to offer solutions to a range of problems, one of which might be yours.

- **By reading it as a story**. The book is built around the experiences of Presteign Ltd and the development of Sally Ann Thorn's own management skills and practice. I hope that the story of Presteign Ltd and its people management problems will encourage you to consider your own work or business situation and perhaps to try out some of the solutions that Sally and her team found worked for them. All the situations in which Sally and her team find themselves are based on the actual experience of people running smaller business units, although they are also applicable to other organizations.

Many managers are unhappy managers because they are unclear about their responsibilities or unsure about the sort of skills that they should bring to the managerial role. Changes in the role mean that managers are asking questions of themselves such as: "What is a 'good' manager?" "Do managers still tell people what to do?" "Do we need more 'soft' skills such as listening and facilitating?"

Managing is not a specialist activity. As the speed of change in the world increases, specialist skills become obsolete quickly. A conflict between 'specialist' and 'generalist' will impact upon job markets, education, training, and the way in which organizations are run. Many of the accepted tasks of a manager are seen as planning, directing, controlling, and organizing. In the face of sophisticated employees we can see a need to develop new resources and skills. 'Managerial resources' consist of such qualities as:

- **The ability to learn**: Learning is the way in which you increase your resources of knowledge, skill, ability to cope, conceptual grasp, and so on. It involves you in effective organization and objective setting.

- **The ability to communicate**: Whilst not strictly speaking a resource, communication is the way in which you can maximize your use of other resources outside of yourself.

- **The ability to manage effort**: The chapter on stress management will help you look at some of the ways in which you can manage your physical self and your surroundings in order to release more effort.

- **The ability to manage time**: The chapter on time management will offer you some pathways through which you can manage time more effectively and release more time for yourself and your organization.

Once you have understood how much of these qualities you already use, you might wish to look at how you might use these resources to build relationships in a variety of situations, such as recruitment, staff development, appraisal, delegation, and team building. Issues like communication, effective information and processing underpin all of these situations.

Finally, you might wish to integrate all of these qualities to develop an integrated model of people management. The final section offers you a structured path through which you can use the resources and skills outlined in the other sections. A manager should be able to deploy these skills and resources to develop a vision of the ultimate destination design, and build the vehicle, draw the road map and fuel the journey. This is leadership as a function of management.

Eleven
Motivation

> *And no one shall work for money, and no one shall work for fame, but each for the joy of the working.*
>
> **RUDYARD KIPLING – WRITER**

A knowledge of motivation is necessary to help you understand why people do the things that you want them to and why sometimes they do things that you don't. Motivation is the study of the determinants of all human behaviour. It is the search for underlying reasons as to why people behave in the ways that they do.

A number of major frameworks are used to explain why people act in particular ways. Some of these involve the idea of needs and their achievement. Others see people as doing things because of the expectancy that they will pay off in rewards, or not doing things because of the perceived difficulty of the task. As some of these frameworks conflict, there is a process that can help you motivate staff effectively. This will involve:

- developing an understanding of the main framework which attempts to explain human behaviour;
- personalizing these to meet your own management situation; and,
- developing a range of behaviours that will motivate a range of different staff in a range of different situations.

Objectives

The objectives of this chapter are:

- to help you understand how to motivate both staff and self to improve performance;

- to help you develop a structured and consistent attitude to motivation; and,

- to consider how you may integrate a number of motivational theories to provide a practical solution to motivational problems.

Sally had spent all day on the workshop floor. She'd had to cancel two important meetings and she'd not finished the scheduling for next month's production run.

Maggie and Jonathan shook their heads sadly when they told her about half the staff being off 'sick' with mysterious stomach ailments after Sandra's engagement party. Jonathan looked like a dejected bloodhound. "You'd have thought that after all the time we spent on training they'd have been anxious to work," he said, shaking his head.

Sally thought that the training and the new appraisal system would have made a lot of difference. Production had gone up and absenteeism had gone down for about a month after they'd been introduced.

She wasn't prepared to keep on spending money and time on something that didn't seem to be working, however, and the other night she'd gone out for a drink after work with Dave who'd given her an hour and a half's worth of horror stories and 'I told you so's' about consultants in general and Josh Slocum in particular. All she'd been able to say was that they'd not paid anything for his advice.

She'd just finished getting Mike and Dave, two of the forklift drivers, to set up the machines when her bleeper went. Cursing, she ran back across to the office where a call from Josh was waiting.

"Hi, Sal, how's it going?"

Sally was reluctant to say anything at first; then she remembered what Josh said about feedback and so she told him about the problems and the fact that she felt he was in part responsible.

"I'm sorry that you feel that way," Josh said. "I told you when you started this whole process that it would impact upon a lot of other stuff. Systems planning doesn't mean doing half the job by putting appraisal or development into your organization. What you need is a formula to help you get your staff team moving."

Motivation: people and organizations

For a manager, motivation is about providing people with the means to achieve their goals and also about ensuring that the individual's goals and the organization's goals are aligned to some degree. As such, motivation is something that concerns the interplay between people and organizations. Many theories in the world of work psychology see people's skills, knowledge, energy, creativity and commitment as an organization's most important resource. Organizations may, however, be so alienating, dehumanizing and frustrating that these critical resources are wasted, with the resulting cost in human terms.

In many ways, larger organizations seem to be either ineffective or oppressive and inhumane. Such organizations are presented as being dominated by insensitive and selfish managers who care only about power and profit. Such a view portrays people as pawns who are at the mercy of the organizations and who can only hope to protect themselves or exploit the organization before it exploits them.

What does this mean for smaller organizations? Can they also be seen as uncaring and dehumanizing? Will people working in smaller organizations react to those organizations in the same manner as people working in larger organizations – by withdrawing labour and commitment, or by actively sabotaging the organization's effort? One of the classic stories of people's reactions to work is that of the workers at the sweet factory who were so fed up with their job that they set up the rock machine to put an obscenity through eleven miles of Blackpool rock.

There is little research evidence which indicates that smaller organizations differ from larger organizations in the question of motivation. At the bottom of this issue there are several core assumptions:

- Organizations exist to serve people.
- Organizations and people need each other.
- When organization needs and people needs don't fit, one or both will suffer – either people will be exploited or people will take advantage of the organization.
- A good 'fit' will benefit both people and organizations.

Central to this way of looking at organizations is the issue around organizational needs and human needs. As we've seen, the whole question of motivation is driven by the concept of human needs.

We are generally so used to saying, "I need..." that it comes as a surprise to note that the whole concept of need is seen as suspect by some writers. People who look at organizations may find that 'need' is difficult to define or observe, and that the way in which human beings behave is so influenced by other factors that the whole idea of need is of no help in explaining

this. As we've already said, the concept of human need drives all our work. Unless we can understand staff needs or our own needs, how can we satisfy them? Furthermore, how do we understand the consequences for failing to do so?

The idea that people have needs is, of course, buried deep in our consciousness. People talk about needs all the time, but the meaning of the word is often blurred and ambiguous. What is a need?

A need can be defined as something that people must have in order to survive and develop. So basic human needs are things such as air, food and water, because without these things people will not survive. More complex is the idea that people have basic psychological needs as well, so that apart from a need to provide food and shelter, people have an inbuilt need for love, companionship and security.

One point of view states that these psychological needs are present in everyone at birth. Another states that human needs are so coloured by environment, socialization and culture that it is pointless to talk about general human needs. This is, of course, a version of the nature/nurture debate which has long been a subject of controversy in the social sciences and elsewhere. The nature party states that all human characteristics are 'inbuilt' by genetic and biological factors, whilst the nurture party believes that human characteristics are a result of learning and experience.

Such a debate can become heated when the stakes are high for a nature supporter. Inbuilt factors that create undesirable behaviour may need to be treated with drugs, whilst for a nurture supporter these undesirable behaviours may need to be addressed through changes in school or social systems.

The nature and nurture argument is misleading in these extreme forms. We do not need degrees in psychology or biology to know that some people are different because they were born with different characteristics, or that people are capable of an enormous amount of learning and adaptation and that what they learn is influenced by what goes on around them.

At present, a consensus is emerging in the social sciences that both the nature and the nurture arguments are true. People's innate abilities are determined by genetic patterning, but these abilities and needs are subject to enormous and radical change through what they learn (are taught) by their surroundings.

If we accept the nature/nurture interaction, we can define 'need' somewhat more accurately. A need can be defined as a predisposition to prefer some types of experience over others. Needs energize and guide the way that we behave and they vary in strengths at different times. Because of a phenomenon called habituation, the continued satisfaction of needs will result in that satisfaction becoming debased or devalued and people will develop new needs.

What does it mean?

This may seem irrelevant when you attempt to work in a small organization and your main concern is how to buy the next lot of stock or how to pay the next wages bill. None the less, it has a central impact on how we all live and work.

If you have a need to become a successful manager and feel that this book can help you, you will learn a lot from it. If, on the other hand you don't want to be a manager and you think that the section on needs is a lot of gobbledygook, then you are unlikely to learn much from it.

We can say three things for certain about needs:

1. People who tend to try to satisfy their needs become unhappy when these objectives are frustrated.

2. They learn only those things that satisfy their needs and not those that don't.

3. People develop in environments where their needs are satisfied and become psychologically frustrated in situations where their major needs are frustrated.

Maslow's needs

If we agree, then, that all people have needs and that some of those needs are the same, what needs do people have in common? Abraham Maslow[1] developed one of the most influential theories of human needs. He started from the point that humans have a variety of needs, some of which are more fundamental than others. He noted, for instance, that the need for food was paramount to the hungry, but that people who had sufficient food had different needs.

Maslow grouped his needs into five basic categories and arranged them in a hierarchy from higher to lower. The strategies to satisfy lower needs dominated behaviour until these needs were satisfied, then strategies to satisfy higher needs took over.

In Maslow's view, lower needs were what he called 'prepotent' and had to be satisfied at least in part before humans went on to the satisfaction of higher needs. Maslow's ideas have had an enormous impact on the thinking of managers and social scientists. If we accept these ideas, it means that an employee's and a manager's behaviour will vary in accordance to the satisfaction of need. It means also that systems designed to motivate – pay, benefits, etc – must adapt because of the change in the way in which people meet their needs.

In organizational terms, Maslow's theory means that we must constantly upgrade the way in which we manage staff. Pay may be enough to help people satisfy their lower level needs, but we will then need to introduce job security to meet safety needs, team-working to meet belonging needs, job redesign and authority to meet needs for esteem, and training and development to meet needs for self-actualization.

A variant of Maslow's hierarchy of needs even offers transpersonal needs above self-actualization needs. Transpersonal needs would deal with spiritual or religious issues. Although Maslow's ideas may seem plausible, they have never been proved valid. Equally, they have never been proved to be invalid. A number of researchers have tried to prove Maslow wrong or

right, but needs are so hard to measure that the theory has been unproven to date.

So, if we accept Maslow's hierarchy, we can see that the motivation of staff and self is about designing work so that it meets the needs of staff and self.

PUTTING MASLOW TO WORK

Frederick Hertzberg[2] tried to put Maslow's theories into action in a different way. He carried out a number of surveys in which he asked employees to talk about the times when they felt best and worst about their jobs. The dominant theories in 'good feelings' stories were achievement, recognition for performance, responsibility, advancement and learning. The 'bad feelings' stories were about things such as company policy, administration, supervision and working conditions.

Hertzberg called those aspects of work that produced job satisfaction 'motivators' and those that produced job dissatisfaction 'hygiene factors'. In effect, Hertzberg took Maslow's hierarchy and cut it in two with hygiene factors including physiological, safety and belonging needs, and motivators including needs for self-esteem and self-actualization. Hertzberg's hygiene factors all dealt with the environment in which the work was carried out, whilst the motivators concerned the work itself. He argued that all the methods used to motivate staff, better pay, enhanced fringe benefits, training, etc, were variants of what he called the KITA approach to motivation, the belief that the surest and quickest way to get something done was to kick them in the backside. In Hertzberg's view, KITA approaches do not motivate; they may get the person to move, but not necessarily in the right direction, and they will soon need another kick to get them to move again.

Hertzberg argued that the idea of job design and enrichment was central to motivation. He saw job enrichment as being the process of 'vertical job loading'. This is done by adding to the job factors that gave the worker more autonomy, more freedom, more challenges and more feedback about their performance. We will return to Hertzberg's theories when we look at how we put motivational factors to work.

Not everyone agrees that people have a natural tendency towards 'growth and development'. Douglas McGregor examined theories on the behaviour of people at work and formulated two models: Theory X and Theory Y. Consider the following exercise.

Assessment exercise

Growth and development

THE X-Y SCALE: PART I

Directions: The following are various types of behaviour which a manager may adopt in relation to his staff. Read each item carefully and then put a tick in one of the columns to indicate what you would do.

My approach is to:	A	B	C	D
	Make a great effort to do this	Tend to do this	Tend to avoid doing this	Make a great effort to avoid doing this
1. Closely supervise my staff in order to get better work from them.				
2. Set the goals and objectives for my staff and sell them on the merits of my plans.				
3. Set up controls to assure that my staff are getting the job done.				

My approach is to:	A	B	C	D
	Make a great effort to do this	Tend to do this	Tend to avoid doing this	Make a great effort to avoid doing this
4. Encourage my staff to set their own goals and objectives.				
5. Make sure that my staff's work is planned out for them.				
6. Check with my staff daily to see if they need any help.				
7. Step in as soon as reports indicate that the job is slipping.				
8. Push my people to meet schedules if necessary.				
9. Have frequent meetings to keep in touch with what is going on.				
10. Allow staff to make important decisions.work from them.				

Directions: Read the descriptions of the two theories of management below. Think about your own attitudes towards your staff, and locate on the scale below where you think you are in relation to these sets of assumptions.
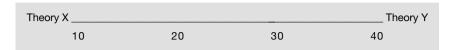
Theory X assumptions

1. The average human being has an inherent dislike of work and will avoid it if he can.

2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed and threatened with punishment to get them to put forward adequate effort towards the achievement of organizational objectives.

3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.

Theory Y assumptions

1. The expenditure of physical and mental effort in work is as natural as play or rest.

2. External control and the threat of punishment are not the only means of bringing about effort towards organizational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.

3. Commitment to objectives is a function of the rewards associated with their achievement.

4. The average human being learns under proper conditions not only to accept but also to seek responsibility.

5. The capacity to exercise a high degree of imagination, ingenuity and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.

6. Under the conditions of modern industrial life the intellectual potentialities of the average human being are only partially utilized.

Indicate on the scale below where you would classify your own basic attitudes towards your subordinates in the terms of McGregor's Theory X and Theory Y. A '10' would indicate that you strongly practise Theory X management; a '40' would indicate that you strongly practise Theory Y management.

Theory X _____ _____ Theory Y

| 10 | 20 | 30 | 40 |

PART III

Now score yourself on Part I as follows:

Items 1–3 and 5–9 scored like this:

(Column)	A	B	C	D
	1	2	3	4

Items 4 and 10 are scored like this:

(Column)	A	B	C	D
	4	3	2	1

Compare this score with the score when you located yourself in the X-Y scale. You will then have a crude index of the extent to which your assumptions match those of the two theories.

Douglas McGregor[3] took Maslow's theory of motivation and added another dimension. McGregor felt that the perspective of a manager would determine his response to work. McGregor, writing in the 1960s, suggested that most managers subscribe to Theory X. This theory proposes that managers need to direct and control subordinates. According to Theory X, employees are passive and lazy, have little ambition, prefer to be led and resist change.

There was a wide variance in Theory X assumptions ranging from 'soft' Theory X to 'hard' Theory X, which suggested that managers need to coerce, threaten, control and punish staff. 'Soft' Theory X, on the other hand, is a

persuasive style which tries to help everyone get along. 'Hard' Theory X was, in McGregor's view, able to produce low productivity, antagonism and sabotage. 'Soft' Theory X, while likely to produce superficial harmony, will in the long run cause apathy and employees who expect more and more while giving less and less. Theory X tends to create self-fulfilling prophecies and general signs that both variations of the theory are correct and that more Theory X management is needed to cope with workers 'who just don't seem to give a damn any more' or who 'are never satisfied'.

McGregor argued that evidence from the behavioural sciences, though inconclusive, seemed to indicate the need for a new theory: Theory Y. Maslow's needs hierarchy was the foundation of the theory that argued that managers need to behave differently. McGregor's key proposition in Theory Y was that 'the essential task of management is to arrange organizational conditions so that people can achieve their own goals best by directing their efforts towards organizational rewards'. It is the job of management to ensure that the interests of the organization and the interests of the staff coincide.

Forms of motivation

We've discussed motivation being about the satisfaction of needs and looked at some of the ways in which we might look at individual needs. Let's now look at some of the ways in which a manager can satisfy needs in a manner that helps his organization to reach its objectives.

Pay as a motivator

One of the major elements in giving people the things they can use to meet some of their needs is pay or reward. Clearly, if you give someone ten or fifteen or thirty thousand pounds a year, you are giving them a powerful tool to help them reach a state where some of their needs are met. Pay will enable them to buy food, drink, shelter – even, perhaps, to meet some social and psychological needs.

It is dangerous, however, to see money as being the sole or even the best motivation for the type of behaviour that you need. It is also important to ensure that when you pay to help satisfy someone else's needs, you are motivating the right sort of behaviours.

"Pay is quite an interesting subject, Sal," said Josh. "People seem to think that pay is about exchanging money for time or effort or bright ideas or even being nice. The problem with pay is that it is such a received idea. Everybody knows that when you go to work, you get paid. Everybody knows that in order to get people to go to work, you've got to pay them, although if you ask people what they are paying for you'll get two different groups of answers.

"The first of these is the generally accepted maxim of a fair day's pay for a fair day's work; the second is that we pay for performance.

"I think that it's a bit more complex than that. If we are only paying for a fair day's work, we're paying for time; 37½ or 40 hours a week. This means that we might have employees who start at nine, finish at 5.30 and don't achieve a lot in between."

If we pay for 'performance', we need to decide what our output measures are. Performance standards in many organizations measure anything but performance, but despite this, as we saw in Chapter 10 on performance appraisal, accurate performance assessment is difficult, which is why most people find it easiest to pay for time.

Let's consider some of the things we could be paying for:

- time;

- productivity;

- customer service;

- creativity and new ideas;

- new skills development;

- vision;

- commitment;

- flexibility;

- ability to work as part of a team; and,

- ability to work on own account.

We can subsume all these into one heading of 'performance,' but if we're unclear about what it is that we're paying for, we can unwittingly give the wrong messages to staff and find that we're paying for something that we don't want.

You must also ensure that you are paying enough to get the right sort of person for the job. Pay doesn't only impact on motivation, it also affects recruitment. High calibre staff are invariably in short supply; they will know how much they are worth and will expect corresponding rewards. Any reward system will need to be attractive and competitive.

Pay needs to reflect performance. We have seen the danger of being unclear about what performance is and of confusing reward, development and performance appraisal. This does not mean that you should not reward performance, as failure to do so will result in demotivation and a decline in the performance that you value.

The third issue in reward is not only to ensure that you are rewarding the right sort of performance, but that there is some equity in reward between people at lower reward levels in an organization and those at a higher level. Too great a gap between levels of an organization may also be demotivating.

> "So you can see that reward and motivation are difficult subjects to tackle. The other problem is, of course, the extent of secrecy in your organization. Many people feel that pay is a confidential matter. If you want to use reward as a motivator to get better performance from your staff you will need to make sure that the targets are open and that pay and pay differentials are known by everyone. If reward is kept in the dark, it is not as effective a motivator as other factors that we shall look at later", said Josh.
>
> "But you've used reward and pay interchangeably here", observed Sally. "Is pay reward?"

Pay is part reward as well as being part of a reward strategy. A reward strategy is about developing and integrating a whole range of management tactics to ensure that staff perform. These can include appraisal, evaluation, and strategy in order to meet eight objectives:

1. Ensure that the organization can recruit the quantity and quality of staff it needs to meet its performance targets.

2. Develop the 'fit' between organization and people.

3. Provide rewards for good performance and incentives for further performance improvement.

4. Make sure that similar jobs are paid similar rates (this is a legal requirement).

5. Make sure that the different character of different jobs is recognized.

6. Create flexibility to ensure that the system can accommodate particular needs (for instance, if a company needs an 'expert' who would be paid more than the Head of Department).

7. Be robust; that is, simple to explain, operate and control.

8. Be cost-effective.

In order to achieve these objectives you will need to gather relevant information before you put your strategy into action. The first step is to know the nature of the market. Without a knowledge of the market you will find it difficult to 'set a price' for the type of employee you are seeking. Most managers will actively scan the recruitment sections of the newspapers to gather information on pay scales for the sort of employee they seek. Some organizations also sell these types of data. Incomes Data Services and the *Pay and Benefit Bulletin* published by Industrial Relations Research Services offer survey information about pay and benefits.

Looking at advertisements will only give you an approximate picture of the sort of salaries being offered, so you should be aware that recruitment information may not be reliable as it is designed to attract, rather than inform, and there can be a wide variety of job types within a job title: 'Business Development Manager' can be paid across a wide range.

The essential elements of effective pay systems are balance and linkage. Balance means that a pay system should never be allowed to get out of control. Pay should reflect the levels of performance that the individual worker produces. Linkage means that there should be clear and recognizable links between pay and performance. Due to the way in which funds are transferred now, people can lose sight of the links between pay and performance. Numbers appear in their bank account at the end of the month, with no apparent connection to performance at work.

We looked in Chapter 10 on appraisal at the way in which accountabilities are a central feature of the job contract. It is part of the manager's job to make sure that there are links between these accountabilities and the pay system. We will look at how this can be achieved later in the chapter.

Motivating through work design

Apart from reward, there are a number of other ways in which we can motivate staff. The first of these takes us back to Hertzberg and his work on 'job enrichment'.

As we've seen, Hertzberg believed that the nature of the job was central to motivating employees. If jobs are narrow, fragmented and restrictive, it is possible to redesign work to make them more appealing. Hertzberg argued for what he called 'vertical job loading', on which the employee is given increased authority and challenge within the job together with more feedback. This means that people in the packing department of Presteign would be encouraged to take on more responsibility in, let's say, ordering the disassembled packs and designing the way in which work came into the packing department. They might also be encouraged to be involved in the way in which work was planned.

Hertzberg's work has been criticized heavily, largely because he relied purely on what people said about the work in which they were involved. Individuals tend to attribute unpleasant factors to influences outside themselves or in some cases outside of their organizations, whilst claiming personal credit for good factors.

JOB DESIGN

Hackman[4] and his colleagues extended Hertzberg's theories and argued that three factors were necessary to ensure that job redesign experiments were successful.

1. **They need to see their work as meaningful and worthwhile**. This means that where Sandra is stamping box after box, she needs to know why she is doing this and how her task fits into the overall functions of the organization. On a day-to-day basis, it is all too easy to lose sight of the purpose of work. This holds true for both managers and employees, and many methods have been tried to help retain that sense of purpose and commitment, some of which we will look at later in this chapter.

2. **They need to feel personally accountable for the work that they do**. Working in organizations can often contribute to a loss of identity. When work is carried out by Presteign Limited, it is not perceived as being the responsibility of Tanya, school-leaver/trainee. Again, efforts have been made to ensure that people are accountable for

their efforts by the use of individual production targets, progress charts, etc.

3. **They need effective feedback**. Without knowledge of progress, it is difficult to feel motivated about work.

'So I have to completely redesign the jobs in the plant. It would cost a fortune,' Sally complained.

"You don't have to completely redesign anything, Sally. I've already said that you use the bits that are useful." Josh paused, then asked, "What elements could you redesign?"

"Well, I suppose I could paint the big picture in the same way that I did with Neil."

"Fine. What else?"

"Well, if it's about symbolic rewards and objectives I suppose I could put up some coloured charts that will show how well or badly the Norham Road site is doing and how it fits into the total effort."

"That would be pretty good, that's a powerful simple message."

"And I could have a pizza and beer night once a month for the best department, and…"

"Okay, okay, I think you've got the idea."

Other issues which are designed to better the 'fit' between the worker and the organization by matching needs are participation, and self-managing work teams.

Motivation through participation

The worker participation movement is a result of Elton Mayo's work, based upon experiments carried out in the Chicago factory of the Hawthorne Electric Company and in other factories in the United States. A classic example is described in William Whyte's book *Money and Motivation*. In this, he describes a group of staff, all women, who were responsible for painting dolls in a toy factory. The women worked a new system whereby each woman took a toy from a tray, painted it, and put it on a hook passing by on a belt. The women received an hourly rate, a group bonus and a learning bonus.

Management expected no trouble with the new system, but production declined dramatically. Staff morale was very low. They especially complained about the heat in the room and the speed of the belt. Reluctantly, the supervisor followed advice to meet the staff and an agreement was ultimately reached to put fans into the workshop, although the industrial engineer who designed the system doubted that these would help. The fans led to a significant increase in morale and further talks led to the women making a radical suggestion: that they be allowed to control the speed of the belt. The industrial engineer resisted this because he'd calculated the 'best' speed for the belt, but reluctantly the supervisor agreed to try it out.

The staff worked out a complicated schedule in which the belt ran fast at some times and slow at others. Morale shot up. Production exceeded the engineer's targets and began to overload other parts of the plant. Pay shot up and the women's production bonuses meant that they earned far more than many 'senior' staff members. As a result, the experiment was discontinued. Production dropped, morale plummeted and most of the women left.

None the less, the experiments had proved that employee participation in designing some of the elements of the job improves both production and morale.

Participation may, however, be problematic if it is not implemented honestly. Managers tend to believe in participation for themselves rather than for staff. This is because managers are reluctant to 'trust' and are ambivalent about their own attitude to power and control.

Motivating through targets

Expectancy theories concentrate on the links between goal achievement and performance. Needs theories state that if you offer an employee the methods to meet his needs, he will behave in a manner that ensures that these needs continue to be met.

The links between behaviour and goal achievement may not, however, be so simple. First, individuals have different goals, and second, they will only achieve these goals if they feel they have a realistic chance of doing so. So if Dave and Carol are given a job to do and it seems to them that they have no possibility of completing it, and Sam and Tracey are given the same job but are given more resources, Dave and Carol will not expect to complete and will be unlikely (all other things being equal) to expend much effort on it; Sam and Tracey on the other hand will be likely to work harder to complete the task.

Expectancy theories of motivation are linked to attributional and instrumental theories in that they do not portray people as passive reactors to their needs. In these theories, individuals can make informed choices about likely pay-off and likely causes of behaviour. In this model, human beings make judgements about the likelihood of success or failure in achieving their goals through completing a task. They will take action to achieve success and to avoid failure. In the example above, Dave and Carol will try to achieve their goals in other ways, unless they perceive that the likelihood of success is zero.

One of the interesting implications of individuals as 'judges' is the phenomenon of learned helplessness. This is a situation where individual employees see no links between their behaviour and the presence or absence of a stimulus. They may become apathetic and withdrawn.

Expectancy theory teaches us that targets can be set to motivate: 'If you sell 1,000 units by the end of the month, there will be a bonus of £500'; ie, if you satisfy the organization's needs or my needs, you will also be satisfying your own needs.

These targets do, however, need to have a realistic chance of success; otherwise individuals will either seek other methods of fulfilling their needs, or abandon the task, psychologically or spiritually.

Motivating through completion

Gestalt is a school of psychology which attempts to interpret motivation as an attempt to make our world orderly, simple and stable. Gestalt psychology sprang from a number of experiments carried out in the 1920s which concentrated on explaining the processes of human perception. Gestalt theories involve four main principles which are about the ways human beings organize perception and interpret the world.

These principles state that people are motivated by a desire to produce order, simplicity and stability in their environment. Whilst this is not the place to dwell deeply upon Gestalt theory, it is an approach that is being adopted more commonly, particularly in learning theory. The principle of closure is demonstrated in the figure below.
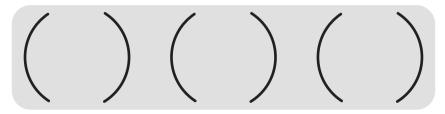

FIG. 11.1 THE PRINCIPLE OF CLOSURE

We will generally see this figure as three incomplete circles rather than two sets of back-to-back semicircles with a spare at each end. We tend to demonstrate a need to complete incomplete figures. In wider terms, this means that we need to 'complete' incomplete situations. Where we are frustrated in completion, we will find other ways of trying to 'achieve closure'. We are all faced with incomplete situations at work and in life generally. The Gestalt school sees much of our behaviour as an attempt to achieve closure in other ways.

Gestalt theories of closure have relevance in the workplace in terms of work design and the need to complete a task, once it is started. Gestalt may well be the reason for Volvo's production successes in dedicating one team to build a whole motor car or significant elements of a motor car, instead of splitting up tasks and leaving employees without the opportunity for closure. As we can see, motivational theories start off simple, a way of managing behaviour to meet needs, before becoming more complex. The next section looks at how we can practically use these theories in a small business unit.

"Okay," said Sally, "I can see how complex it all is. How do I make sense of it? I mean, my head's buzzing, I don't know whether I should motivate people by organizational democracy, job redesign, pay or whatever."

"It is complex," agreed Josh, "but a single accurate theory of motivation would explain why people do what they do. It could also explain how to make people do what you want them to do."

"That's what I want. I want to know how to make people do what I want them to do."

Needs theories aren't, then, simply about making sure that people get paid on time. There is an issue with regard to the environment through which needs are met. Employees are very sensitive to the messages in their environment and if they don't feel that there is a direct link between their behaviour at work and the rewards they receive that enable them to reach their goals, they will become confused and behave in a way that managers find frustrating and puzzling.

Checklist for motivation

1. I understand the concept of motivation through need.

2. I understand the concept of motivation through expectancy.

3. I can design pay and reward systems to motivate staff.

4. I can design jobs to motivate staff.

5. I can ensure linkage between performance and reward.

6. I can help employees take responsibility for their jobs.

7. I can help employees gain autonomy in their work.

8. I can paint the big picture to demonstrate challenge in work.

9. I can establish relationships between staff and customers/suppliers.

10. I can control motivation in my organization.

Summary

- Motivation is the study of the determinants of human behaviour.

- Motivational theories are largely based upon the idea of people doing what they do in order to meet needs.

- The concept of need is slippery and difficult to define.

- People have a range of needs from basic – food, shelter, etc, through to psychological – need for fulfilment, love, etc.

- A manager needs to develop 'fit' between an organization and employees so that they satisfy their needs by satisfying organizational needs.

- Because of the nature of organizations, this is difficult.

- Managerial attitude and assumptions will also colour the motivation process.

- Some methods of improving motivation include rearranging reward systems, increasing employee participation and job redesign.

- These can be augmented by developing an honest and consistent relationship with employees and communicating with them adequately.

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1 Abraham Maslow, *Motivation and Personality,* Harper and Row, 1954. Adapted by permission of Pearson Education Inc., Upper Saddle River, NJ.

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3   Douglas McGregor, *The Human Side of Enterprise,* McGraw-Hill, 1960. Reproduced with permission of the McGraw-Hill Companies.

4   J.R. Hackman and G.R. Oldham, *Work Redesign,* Addison Wesley, 1980.