

7. Leading – Calm Seas case

Tasneem Khan is the General Manager at Calm Seas, the ocean kayak manufacturer. She reports to the founder of the company. Calm Seas has a strong emphasis on quality in the products they make – indeed they have made it part of their competitive advantage.

The organization has a curious mixture of a bureaucratic structure and a team structure. In the production area, they have implemented a team structure, as outlined in the previous section. There are teams involved in production, and those teams report to co-coordinators/supervisors who ensure that everything is being done properly. They put this structure into place about 10 years ago and have enjoyed the benefits of that structure since then.

Each employee was trained to take on tasks that used to be done by some middle managers, and those employees saw an increase in their salary. This team structure has allowed Calm Seas to improve their quality emphasis in their finished products. It has also reduced their turnover rate – employees are staying with Calm Seas longer now. They know that if they go to another manufacturing facility, they will likely experience a functional structure, a more narrowly defined job and a reduction in salary. All of these factors are compelling reasons for an employee to stay!

Tasneem describes the working environment this way. "We've cultivated a strong quality ethic through this structure. They know that they are accountable for the quality of the work done by their team. Everyone must have clear expectations and responsibilities and these must be communicated to everyone in the team. This becomes the cultural norm. Everyone then becomes accountable, responsible and in charge of quality assurance."

Communication among the employees in the plant is also illustrated in the company policy manual. Section 8.1 states "The company practices an "open door" policy with regard to the accessibility of supervisors by employees. Supervisors make themselves available to employees as much as possible within operational requirements. If a supervisor will be unavailable for an extended period, she/he will specify an alternate. Employees respect the supervisor/supervisee relationship and do not go "over the head" of their immediate supervisor without discussing their intent to do so with the supervisor."

She continued, "I am not the boss, in that I can't just do anything I want, when I want. Issues must always be discussed with the employees."

The employees set up performance goals with their team and with their supervisor. The attainment of these goals helps the employee to get their raise earlier. In addition, there is also profit-sharing for everyone in the company, except for the General Manager and the founder.

Tasneem says, "I can't claim to be a success but then say everyone else is a screw-up. My own success is the result of the successes of the people for whom I am responsible. Others' success will then be my success. In this way, I am a supplier to the employees."

8. Leading in the organization

In this section, some brief concepts surrounding leadership will be introduced. Since an important aspect of leadership is motivation, that topic will also be touched on.

8.1 Leader vs. manager

The first thing we have to do is to separate a “leader” from a “manager”. According to the Encarta Dictionary, a:

Manager is somebody who is responsible for directing and controlling the work and staff of a business, or of a department within it.

Leader is somebody whom people follow.

This is quite a difference. We have talked about managers up until now in this text. However, managers and leaders are different. We need managers but we are seeing an increasing need to have leaders. They are not the same thing, they operate differently and they need different skills.

Management is doing things right; leadership is doing the right things.

Peter Drucker

<http://www.brainyquote.com/quotes/quotes/p/peterdruck131069.html>

8.2 Leadership theories

The chart and the accompanying description will combine a number of popular leadership theories.

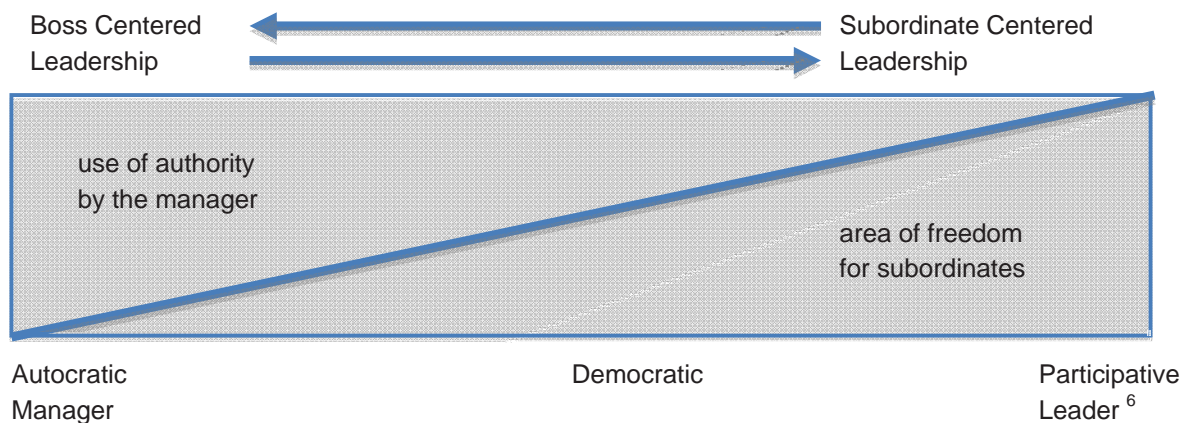


Figure 8.1

If we look at the autocratic manager, that person will basically tell their employees what to do. As the chart indicates, the manager makes the decision and announces it. Input by employees is not sought and is not given. Power and authority rest with the manager. In this situation, the manager may also retain most of the information.

If we move to the right, part-way through the graph, we come to the democratic leader. As the chart indicates, the manager presents the problem, gets suggestions and then makes the decision. In this way, the manager is still retaining power and authority, especially because they see it as their role to make the final decision. However, this manager/leader will be far more likely to share information and actively solicit input.

On the far right of the diagram, we have the participative leader. This leader may let the individual or group make the decision and then simply inform the leader what that decision is. Another example would be the leader who participates with the group in arriving at a decision. In this case, the leader's opinion has no more weight than anyone else in the group.

One question that is often asked at this point is “what about the manager who asks for our opinions but doesn't really listen to what we have to say? What kind of manager are they?” My answer always is that

this is a lousy manager who does not have any integrity. If the manager does not want to listen to the employees, then s/he shouldn't ask for employee input. Employees know when the manager doesn't really care for employees' opinions. This is one of the prime ways to destroy the relationship and trust between managers and employees.

This is different from soliciting input and then the manager choosing to do something else. As long as the employees are listened to and their opinions truly considered, if the manager then chooses another option, the manager can still be described as democratic. The big difference comes down to listening.

The key to successful leadership today is influence, not authority.

Kenneth Blanchard

<http://www.betterworld.net/quotes/leadership-quotes.htm>

Another interesting dynamic is the manager/leader who thinks they use one style but actually act another way. This generally happens with an autocratic manager who doesn't believe that they are autocratic. After all, in today's business world, the description of the autocratic manager doesn't "sound" as good as the other styles. "Autocratic" itself is a term that does not sound positive. A manager can say that they have a democratic style and may believe that they are democratic managers but it's the actions that count. If they still behave in an autocratic manner, then they are autocratic.

8.3 Knowing what kind of manager/leader to be

This continuum chart above is also useful because it shows the variety of options for behaviour for the manager/leader. The smart manager/leader chooses which behaviour is best, given the variables of the situation. There is no one "right" style to use all the time.

A manager/leader will generally operate and behave in a consistent manner. However, under different conditions or when something in the environment changes, it may be wise for the manager to use a different leadership style.⁷

For example, an autocratic style would often be wise to use:

- In a crisis or emergency
- When there is a legitimate, unforeseen rush needed for production
- Sometimes with untrained, unskilled employees

By contrast, a participative style would often be wise to use:

- When the outcome is more important to the employees than the leader
- When the employees know more about the issue than the leader
- When the employees can improve and develop their skills
- When lots of creativity is needed

Therefore, a good manager knows what the situation requires and will use the most appropriate style, given the particular situation. S/he may use one style in certain situations and another style in other situations.

8.4 Motivation Theories and Concepts

The Encarta dictionary says that motivate means "give somebody incentive" or "make somebody willing". This is a tall order for the leader/manager. The good leader/manager is one who can marshal the energies and enthusiasm of the employees so that they work in the desired direction and towards the goals of the leader and the organization. What the leader/manager wants is a group of employees who are productive and interested in contributing to the work.

8.4.1 Intrinsic and extrinsic motivation

One of the first distinctions to be made, which is a concept which also arises in some of the following motivation theories, is the distinction between intrinsic and extrinsic motivation.

As the terms intrinsic and extrinsic suggest, intrinsic motivation is that motivation that comes from a source inside the individual, while extrinsic motivation is that motivation that comes from a source outside the individual.

We would describe someone as being intrinsically motivated if they derive their satisfaction from the knowledge of a job well done. Or they could derive a satisfaction from the challenge of the job. An extrinsically motivated person is one who wants something given to them as a reward. This reward for instance could be a cash reward, a prize of some sort or a medal.

This is not to say that the person who is intrinsically motivated does not also want or search for rewards. It's just that the externally granted reward will not motivate them if that is the only reward they get. The main source of their motivation comes from the internal source.

What is important to understand here is that the good leader/manager must understand what it is that motivates the employee and motivate them by keeping the employees' needs in mind.

8.5 Content Theories of motivation

Maslow's Hierarchy of Needs	<ul style="list-style-type: none"> ◆ 5 levels, physiological, security, social, esteem, self-actualization ◆ each level must be substantially satisfied before moving to the next ◆ refinements of Maslow's theory today include a recognition that individuals could be on more than one level at a time and that individuals could move up and down the hierarchy overnight.
McGregor's Theory X and Theory Y	<ul style="list-style-type: none"> ◆ actually defines how managers view employee motivation ◆ Theory X manager believes that employees need to be controlled, coerced and bribed. ◆ Theory Y manager believes that people are willing to work, are creative and independent and self directed when motivated properly. ◆ Concept of "self-fulfilling prophecy" may enter in here. If manager follows Theory Y beliefs, does that create Theory Y employees?
Herzberg's Motivation – Hygiene Theory	<ul style="list-style-type: none"> ◆ hygiene factors are extrinsic to the work (work environment, relationship with peers, supervisor, and salary). If absent, result is dissatisfaction; if present, result is neutrality. ◆ job satisfiers are intrinsic to the work itself (achievement, recognition, nature of the work, responsibility). If absent, effect is neutral; if present, result is motivation ◆ both hygiene and motivators must be present for motivation to occur. Can't have motivation if hygiene issues are not dealt with.
Job Design Theory ⁸	<p>Could choose:</p> <ul style="list-style-type: none"> ◆ job specialization ◆ job enlargement ◆ job enrichment
Job Characteristics Model ⁹	<p>Building in more of these factors into each job may increase job satisfaction.</p> <ul style="list-style-type: none"> ◆ skill variety, task identity, task significance, autonomy, feedback.

Table 8.2

8.6 Process Theories of motivation

Equity Theory ¹⁰	people compare their own input to their own perceived reward, then people compare their input and perceived rewards to one another perceived inequity negatively affects motivation
Expectancy Theory ¹¹	the amount of motivation depends on the answers to the three questions: Will increased effort improve performance? Will increased performance be rewarded? Does the reward have value?

Table 8.3

Howard Schultz, CEO of Starbucks, said that:

“You can’t expect your employees to exceed the expectations of your customers if you don’t exceed the employees’ expectations of management. That’s the contract.”

<http://www.evancarmichael.com/Famous-Entrepreneurs/643/Howard-Schultz-Quotes.html>

8.7 Maslow

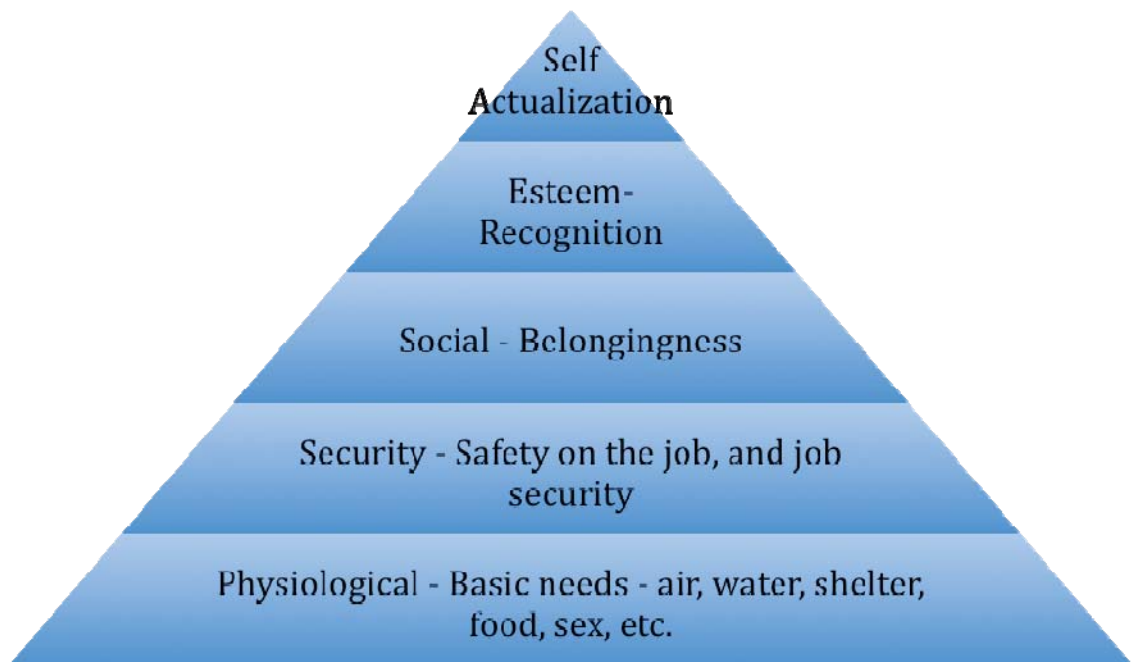


Figure 8.4

8.8 Expectancy Theory of Motivation explained in simple terms

The employee will ask themselves 3 sets of questions when asked to perform a task:

- Do I know what I am expected to do? Do I have the skills/resources necessary to do the job?
- Do I clearly know what I will get if I do the job?
- Do I value the reward?

This theory indicates that the employee must answer yes to all three sets of questions if the employee is to be positively motivated. Answering yes to two out of three isn't good enough and will not result in positive motivation. By contrast, answering no to one or more of these questions will bring motivation back to zero.

8.9 Equity Theory explained in simple terms

This theory says that the employee asks themselves these questions.

Internal Equity

- Does my reward (outcome) seem to make sense to me, given the effort (input) that I am required to make?
(If I get \$50 for doing a job that will take me all weekend to do, personally my answer to this question would be "no")

External Equity

- Given the reward I'm being offered for doing a certain job, does that make sense with the rewards other people are being given for the tasks they are being asked to do?
(I may think that being allowed to go to a local conference would be an OK reward for doing a certain task, until I find out that a colleague is being allowed to take an extra week's paid vacation for doing a "lesser" job).

The employee must feel there is equity in *both* of these dimensions in order to be positively motivated.

There are numerous challenges for the manager with this theory. First, we are dealing here with "perception". What does the employee perceive to be a "fair" situation? It is difficult for the manager to know this. What would be OK for one employee would not be OK for another.

The second challenge is to determine exactly who the employee is going to compare themselves to in external equity. Someone else in the same department? The same company? Someone they know in another company? Another industry?

A leader takes people where they want to go. A great leader takes people where they don't necessarily want to go but ought to be.

Rosalynn Carter

<http://www.betterworld.net/quotes/leadership-quotes.htm>

8.10 What do employees want?

Employees clearly want different things from their work experiences. Motivating employees is a challenge for every manager/leader.

The prevalent thinking about rewarding employees up until about 25 years ago was to motivate them using the tools at the bottom levels of Maslow's hierarchy. The thinking was that as long as the employee was paid adequately, had decent benefits and reasonable job security, then that would be enough.

That mode of motivating is no longer suitable. Today's employees want far more out of their work and from their leaders.

A McKinsey Quarterly survey in June 2009, found the following results. "The respondents view three noncash motivators—praise from immediate managers, leadership attention (for example, one-on-one conversations), and a chance to lead projects or task forces—as no less or even more effective motivators than the three highest-rated financial incentives: cash bonuses, increased base pay, and stock or stock options." ¹²

This may come as a surprise to some managers, but not to the leaders. Leaders already know this and have been using these tools as motivators for years.

This type of leadership style requires excellent communication and interpersonal skills. The smart and effective leader is honing those skills constantly.

8.10.1 Trust

One major area where "good" leaders shine is in the ability to create an environment of trust.

Trust is an important component of leadership and the workplace environment. More is being written about establishing relationships of trust in the workplace. Here are some ideas based on the work of Cloke & Goldsmith (2005):

- Recognize that when others engage in self-reflection and dialogue, they are making themselves vulnerable to those around them—honour their vulnerability with care
- Show respect
- Follow through on your commitments to others, including commitments to confidentiality
- Be consistent and reliable in your actions generally, and how you treat others
- Recognize that trust requires time and patience
- Show concern for the well-being of others
- Focus on the thing you can affect - your own actions
- Acknowledge your mistakes
- Be honest about current challenges
- Try to be flexible and creative when problem solving

Remember that once trust is broken in a relationship, it can be extremely difficult to fix. Be proactive about acting to maintain trust.¹³

8.10.2 Good vs. bad bosses

Another article summarizes how employees view their bosses. In it, the employees described a good boss as:

- accessible
- supportive
- in tune with employees
- responsive

While a bad boss was:

- elitist
- condescending
- inconsistent
- dismissive ¹⁴

What's interesting is that these characteristics have been mentioned by all of the demographic groups. Every age group wants to see these good factors in their leaders and supervisors. These then are descriptors which form the template for action for the good manager.

8.11 Motivation summary

1. Know what your employees want and motivate them according to their needs.
2. Everyone is different.
3. Keep up-to-date on their needs.
4. Don't motivate them according to your needs.

The nine essential capabilities of an effective leader in Royal Dutch Shell:

- Builds shared vision
- Champions customer and stakeholder focus
- Maximizes business opportunities
- Demonstrates self-mastery
- Displays interpersonal effectiveness
- Demonstrates courage
- Motivates, coaches and develops
- Values difference
- Delivers results through others

Kate Cowie's work reported in
Ivey Business Journal, May/June 2008

The HR Challenge: Leadership development for ordinary heroes
http://www.iveybusinessjournal.com/article.asp?intArticle_id=757

8.12 Not-for-profit note

Not-for-profit organizations have two additional challenges regarding the topic of motivation on their workplaces. One is that they are often operating with tight budgets and perhaps not as much money to use for motivating the employees. Profit-sharing, which is a technique increasingly used to increase motivation and satisfaction in the for-profit area, is not a possibility in the not-for-profit area. Bonuses given to individuals are unheard of. Salary increases are often small and judiciously given. Job security may be linked only to the next funding period and benefits are often minimal.

Leaders and managers in the not-for-profit area must be creative and excellent in motivating their employees. Since a lot of the monetary motivation tools are not available to them, other motivation techniques must be used. Keeping employees charged up, without being able to resort to most perks related to money, is a huge challenge in the not-for-profit area.

The second challenge in the not-for-profit area centres on their use of volunteers. Not only are monetary motivators not an option for their volunteers, but other incentives are also not available. The leader/manager cannot use promotions as incentives with volunteers, nor can they offer bigger budgets. Almost the only category of motivator is the intrinsic motivator for the volunteers, so the leader/manager must be excellent at offering this type of feedback and incentive.

8.13 Motivation exercise

Listed below are different characteristics a job might have.

Rank-order the characteristics from 1 (most important) to 12 (least important) in terms of how important they are to you. In other words, what do you want to get out of your job?

Compare your answers to others who have filled this out. How do your answers compare? What might account for the differences?

Rank	Job Characteristic	Hygiene or Motivator
	The pay is good	
	The boss provides lots of direction	
	The job provides a chance to do things your way	
	The benefits are really appealing	
	The company is an “equal opportunity employer”	
	The job has well-defined responsibilities	
	“Voluntary overtime” is NOT expected	
	Your professional development is supported and paid for	
	You find the work itself to be very interesting	
	The position provides job security	
	You can design and achieve your career path and goals	
	Individual achievement is formally recognized	
	Employees participate in decisions regarding work	
	Your co-workers are friendly	
	The job title reflects its importance	

Table 8.5

8.14 Questions on leadership/motivation section:

1. What kind of leadership and motivation does Tasneem seem to be using now at Calm Seas? Is this appropriate? Why or why not? Should she change the leadership and motivation techniques? If so, how? Explain your answer.
2. Motivating the different generations on the workplace is one of the biggest challenges for managers. Review this resource for information on the different generations.
<http://bookboon.com/int/business/hrm/generational-challenges-in-the-workplace>
How can managers and leaders know how to motivate these generations? Do they have to motivate these groups differently? Why or why not?
3. Go to the following link for an excellent 10-minute video on motivation.
<http://comment.rsablogs.org.uk/2010/04/08/rsa-animate-drive/>
What other insights about motivation do you get out of this video? How can you use this information?
4. Research the job design theory and the job characteristics model. Why are they placed in the motivation section? How can a leader put these concepts to use in the workplace?
5. The topic of “organizational culture” is often tied to the topics of leadership and motivation. Research this topic and explain how it ties in.
6. What motivators can the leader in the not-for-profit organization use? Be specific.