



People work for a number of reasons. Most people work because they need to earn money to survive, while others work voluntarily for other reasons. Motivation is the reason why people work, and it drives them to work better. Therefore, managers try to find out what motivate workers and use them to encourage workers to work more efficiency. This results in higher productivity, increased output, and ultimately higher profits.

What is motivation?

Motivation is the reason why employees want to work hard and work effectively for the business. Money is the main motivator, as explained above. Other factors that may motivate a person to choose to do a particular job may include social needs (need to communicate and work with others), esteem needs (to feel important, worthwhile), job satisfaction (to enjoy good work), security (knowing that your job and pay are secure- that you will not lose your job).

Motivation refers to the **inner desire or willingness** that propels a person to take action and **achieve a specific goal or outcome**

- Motivation can be **intrinsic**, coming from within a person (values, beliefs etc)
- Motivation can be **extrinsic**, coming from external factors (rewards or punishments)

People work for several reasons

- Have a better standard of living
By earning incomes, they can satisfy their needs and wants
- Be secure
Having a job means they can always maintain or grow that standard of living
- Gain experience and status
work allows people to get better at the job they do and earn a reputable status in society
- Have job satisfaction
People also work for the satisfaction of having a job

Why do people work?

Money – People need money to buy food, water and other items they need to live.

Social needs – People just like us likes to feel part of a team, socialize and make friends.

Esteem needs – Feeling important, feeling that they are contributing to a business.

Job satisfaction – enjoyment from the work and achievements they have accomplished.

Security – Feeling of having a secure job with a stable income.

Why motivate workers?

Why do firms go to the pain of making sure their workers are motivated? When workers are well-motivated, they become highly productive and effective in their work, become absent less often, and less likely to leave the job, thus increasing the firm's efficiency and output, leading to higher profits.

For example, in the service sector, if the employee is unhappy at his work, he may act lazy and rude to customers, leading to low customer satisfaction, more complaints and ultimately a bad reputation and low profits.

A motivated workforce results in

- Increased output caused by extra effort from workers
- Improved quality as staff take a greater pride in their work
- A higher level of staff retention - workers are keen to stay with the firm and also reluctant to take unnecessary days off work

Well motivated employees will

- Work effectively resulting in higher output and profit
- Be more productive
- Have better attendance rates
- Be more cooperative and open to change
- Produce better quality work

Motivation	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Increased productivity • Higher quality - higher customer satisfaction • Lower labour turnover • Lower recruitment and selection costs • Better communication and teamwork with each other. • Better customer service 	<ul style="list-style-type: none"> • Motivational rewards may become expected, so when employees achieve them it does not motivate them, and if they don't achieve them it can be demotivating • May be de-motivating for other employees if they are not motivated as much as other employees. • Financial motivation such as piece rate quality may suffer as they are trying to rush. • Non-financial motivation such as job rotation lacks specialisation and is time-consuming to change between roles.

Maslow – Hierarchy of needs



Maslow's hierarchy of needs is a model for understanding the motivations for human behavior. It maps different motivations onto a pyramid, with each level representing a different human need. These include physiological needs, safety, love and belonging, esteem, and self-actualization



1. Physiological needs – food, drink – pay good wages to meet these needs plus fringe benefits.
2. Safety needs – protection/security/stability needs – through a business that is stable, good market share, strong market presence.
3. Social needs – team working – good working environment to meet belongingness needs – concern for family.
4. Esteem needs – achievement/status – employee of the month – promotion opportunities.
5. Self-actualization – personal growth and fulfilment – training and development opportunities – opportunities to progress in the company. (refer to the realization of a person's potential, self-fulfillment, seeking personal growth, and peak experiences.)

Maslow's Hierarchy of Needs in the Workplace

- Physiological Needs in the Workplace

If your employees can't meet their basic physiological needs, then they won't be motivated to try and move to the next level.

As an employer, you should ensure that your employees have a comfortable work environment, including access to clean water and restrooms.

- Safety Needs in the Workplace

Employee morale will be low if employees don't feel safe. That could mean that they are working in an unsafe environment, or it could mean that they are in fear of losing their job.

As an employer, you should ensure your employees are working in a safe environment, and that you treat them fairly. Handle redundancies and layoffs sensitively and carefully.

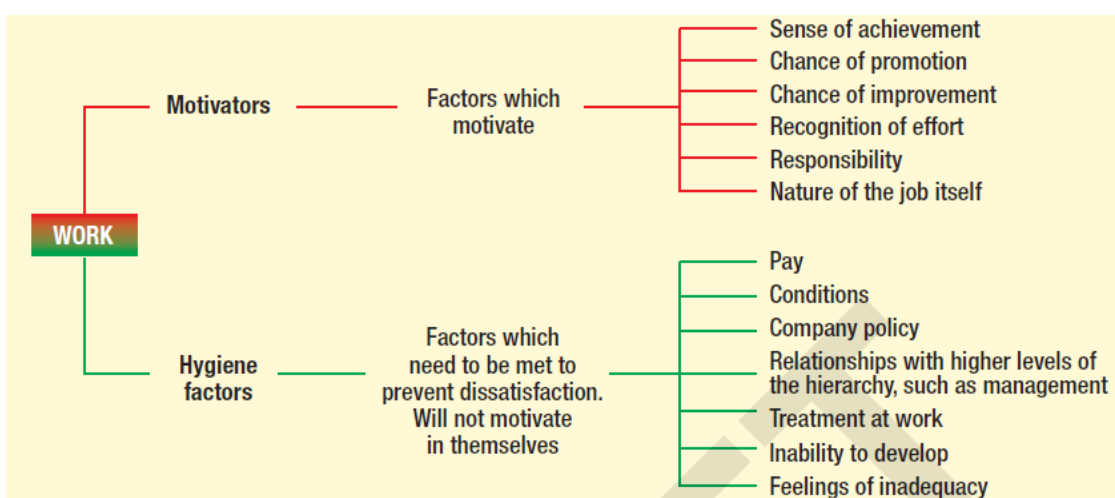
- **Social Needs in the Workplace**
Employees want to feel as though they belong.
As an employer, you should ensure you provide team building socializing opportunities to your employees. It would help if you also communicated regularly with your team to keep them “in-the-loop” as to what’s going on in the organization. Regular communication is especially important if you manage remote workers.
 - **Esteem Needs in the Workplace**
Employees want to feel that they are doing a good job and that they are receiving recognition for their efforts.
As an employer, there are many ways you can recognize employees to boost their esteem. Recognition can include career opportunities, special assignments, training, praise, perks and awards, and engaging employees in the decision-making process.
1. **Self-Actualization Needs in the Workplace**
When all the other needs have been met, employees will want to be the best they can be at their job.
As an employer, it is your responsibility to help employees become the best version of themselves. Work with each employee to put them in challenging situations where they feel empowered to deliver. However, be careful that they aren’t in too challenging a situation as this will be demotivating.

Herzberg’s Two-factor theory



Herzberg’s Motivation Theory model, or Two Factor Theory, argues that there are two factors that an organization can adjust to influence motivation in the workplace.

- **Hygiene factors** are elements that do not necessarily lead to job satisfaction, but their absence can cause dissatisfaction which decreases motivation e.g poor teamwork in the workplace
- **Motivators** are elements that lead to job satisfaction and motivation e.g. increased responsibility



Hygiene factors include

Company policies

These should be fair and clear to every employee. They must also be equivalent to those of competitors.

Supervision

Supervision must be fair and appropriate. The employee should be given as much autonomy as is reasonable.

Relationships

There should be no tolerance for bullying or cliques. A healthy, amiable, and appropriate relationship should exist between peers, superiors, and subordinates.

Work conditions

Equipment and the working environment should be safe, fit for purpose, and hygienic.

Salary

The pay structure should be fair and reasonable. It should also be competitive with other organizations in the same industry.

Status

The organization should maintain the status of all employees within the organization. Performing meaningful work can provide a sense of status.

Security

It is important that employees feel that their job is secure and they are not under the constant threat of being laid-off.

Motivating factors include**Achievement**

A job must give an employee a sense of achievement. This will provide a proud feeling of having done something difficult but worthwhile.

Recognition

A job must provide an employee with praise and recognition of their successes. This recognition should come from both their superiors and their peers.

The work itself

The job itself must be interesting, varied, and provide enough of a challenge to keep employees motivated.

Responsibility

Employees should “own” their work. They should hold themselves responsible for this completion and not feel as though they are being micromanaged.

Advancement

Promotion opportunities should exist for the employee.

Growth

The job should give employees the opportunity to learn new skills. This can happen either on the job or through more formal training.

How businesses can use hygiene factors to decrease dissatisfaction

- **Pay fair wages/salaries**

If an employee is not paid a fair wage for their work, they may become dissatisfied and demotivated

- **Offer excellent working conditions**

If the workplace is dirty, unsafe, or uncomfortable, employees may become dissatisfied and demotivated e.g Google has a reputation for providing amazing workplaces which include gourmet restaurants, laundry services and dog care

- **Offer employment contracts which provide job security**

If employees feel that their job is not secure, they may become anxious and demotivated and contribute less to the business goals

How businesses can use motivating factors to increase satisfaction

- **Build a recognition and rewards culture**

When employees are recognised and rewarded for their hard work, they are motivated to continue performing well e.g. Sales person of the month award

- **Offer opportunities for growth and development**

When employees are given opportunities to learn new skills and advance in their careers, they are motivated to continue working for the company e.g. set in place a 3 year growth plan which helps the worker move towards a reach job role

- **Provide challenging work which requires problem solving**

When employees are given challenging work that allows them to use their skills and abilities, they are motivated to continue performing well

Taylor's Scientific Management

Who is Frederick Taylor?

Frederick Winslow Taylor was an American mechanical engineer who lived from 1856 to 1915. He brought an engineer's viewpoint to the world of workplace productivity and applied engineering principles to the factory floor.

He was the first management consultant and the first to look at work and productivity scientifically. He is known as the father of Scientific Management and the efficiency movement.

More money = employees become more motivated

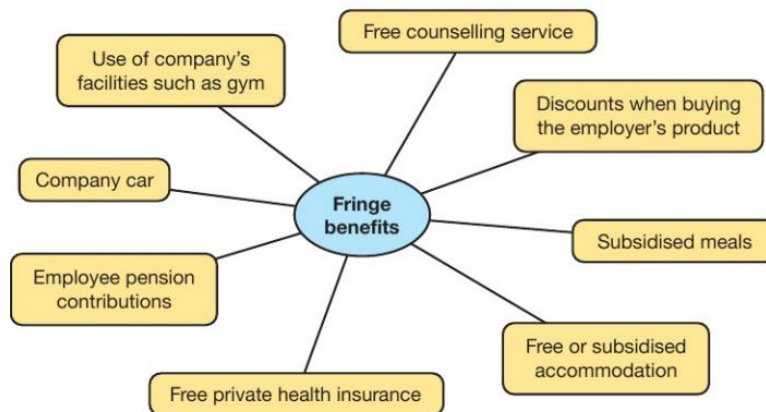
Principles of Scientific Management Theory by Taylor

1. Workers don't usually enjoy work. Because of this, they need to be monitored and controlled closely. Essentially, Taylor believed that employees had a natural tendency to take it easy or slack off whenever they could. He called this natural soldiering.
2. To help with this, managers should break down each employee's job into more manageable, bite-sized tasks.
3. Training should be given so that all employees perform these tasks in a standard way.
4. Workers should be paid based on how much they produce (piece rate).
5. This will create a win-win situation. Workers are incentivized to work hard to earn more and the businesses production is as efficient as it can be (profits are maximized).

Objectives of Scientific Management Theory by Taylor

- Prevent the wastage of time.
- Reduce the cost of production.
- Secure the labor in industry.
- Increase the efficiency of the workers.
- Develop the relationship between workers and managers.

Fringe Benefits



Why Do Companies Give Fringe Benefits?

- **Attract top talent.** Generous fringe benefits can help you attract talented and competent job candidates.
- **Keep employees motivated.** Offering fringe benefits makes employees feel valued, which can keep them motivated and highly productive.
- **Improve loyalty and employee satisfaction.** Fringe benefits demonstrate to the employees that you care for them, improving employee satisfaction and loyalty.
- **Ensure good health of employees.** If employees are unable to work due to ill-health or injuries, business suffers. So it makes sense to offer benefits that ensure excellent employee health.
- **Reduce employee turnover.** When employees feel motivated and valued, get appropriate remuneration for all the hard work they put in, and are satisfied with their work as well as compensation, they have no reason to leave the organization.

Autonomy

Autonomy refers to the degree to which employees are able to make decisions about their day-to-day roles. Having more autonomy means an employee has the ability to make more decisions about their role, whereas having less autonomy means an employee has limited decision-making responsibility.

Having a high level of autonomy can be a significant motivator for employees as it can make them feel valued and trusted by their employer.

Why is autonomy in the workplace important?

- Increases job satisfaction
- Creates employee engagement and motivation
- Improves employee retention
- Encourages creativity and innovation
- Builds a culture of trust
- Boosts productivity
- Employees feel valued
- Develops leadership qualities in employees
- Promotes skill development

What is difference between autonomy and empowerment

(autonomy may also be referred to as empowerment).

Autonomy means that employees can decide how, when, and where to perform their tasks, without excessive supervision or interference. Empowerment means that employees have the authority, resources, and support to make decisions, solve problems, and initiate changes that affect their work outcomes.

Quality Circles

Quality circles involve an approach to quality management whereby groups of employees meet regularly to identify potential improvements and resolve quality issues.

Managers, assembly line workers and engineers mix together and everyone's opinion is valued and respected. Membership of quality circles is voluntary.

Employees involved in quality circles may become more motivated as they feel valued within the company. Employees who are doing the job often have a better idea on how to improve processes.

Team working and Delegation

Team Working

Employees are organized into groups and each group is given a certain task to perform. A team is a group of people who work together to achieve a common goal.

TEAM stands for T= together; E= everybody; A= achieves; M= more

Benefits of Team working

- The team as a whole, delivers greater results than the sum of each team member's individual effort.
- Teams generate more creative solutions than individuals because they build on one another's ideas
- Employees have an opportunity to be involved in decision making
- Teams are usually capable of completing tasks quicker than individuals.
- Team members help to keep each other motivated

Problems of team working

- Team conflicts may arise. Conflicts leads people's focus away from the job.

- Team members can learn bad cultures from difficult employees.
- Some employees work more effectively when they are not in teams. Thus they are not team players.
- Can be time consuming when workers need to consult one another.

Delegation

Refers to the passing of authority down the organizational hierarchy. Subordinates are given the responsibility and authority to do a given task. It is done to enable top managers to concentrate on major issues especially as the organization grows in size. The subordinates will feel valued and more trusted.

Advantage for Managers

- More time to make bigger decisions
- Can assess their staff better and promote the right people
- Less likely to make mistakes with less workload
- Increase of trust

Advantage for Subordinates

- Work becomes more interesting and rewarding
- They feel more important
- Training and career opportunities
- Increase of trust

Benefits of delegation

- Work becomes more interesting and rewarding
- Employees feel important and trusted
- Helps train workers, giving them better career opportunities

Problems of delegation

- Inexperienced employees may fail and this may tarnish the manager's good name
- Managers may lose management control
- When subordinates perform better than managers, the managers may feel insecure.

Why Managers Don't Delegate

- Subordinates may fail
- Manager wants control
- Subordinate may do a better job than manager
- Manager feels insecure

Choosing methods of motivation

(Influences on the Choice & Assessment of the Effectiveness of Financial & Non-Financial Reward Systems)

Employees must be paid for their work. The structure of how they are paid can motivate them or avoid demotivating them (Herzberg).

How the managers organize work can also motivate and engage the workers.

When answering questions on this area you need to consider the following aspects in particular

- The type of work.
- The skills needed by the workers.

- The type of worker who is attracted to this type of work.
- The skills of the managers.
- The resources available (time and money).
- The culture of the business.

Organization and management (Organization structure and employees)



Organizational structure refers to the levels of management and division of responsibilities within a business. They can be represented on organizational charts (Diagram that show the different job roles in a business and how they relate to each other). The formal organization internal structure of a business as shown by an organization chart.

In an organization of any size or complexity, employees' responsibilities typically are defined by what they do, who they report to, and for managers, who reports to them. Over time these definitions are assigned to positions in the organization rather than to specific individuals. The relationships among these positions are illustrated graphically in an organizational chart.

The organizational structure of a business defines its entire culture. It affects how its employees communicate and operate to achieve the goals of the company. Organizational structure also influences productivity, employee relations, and marketing strategies. It is important for a company to define the most strategic organizational structure that will allow it to effectively and efficiently accomplish its goals. The organizational structure of a small company may differ from that of a large company. Let's take a look at some of the most common organizational structures.

Define organizational structure.

Refers to the levels of management and division of responsibility within an organization

Or

The formal, internal framework of a business that shows how it is managed and organized

Or

The number of levels of management and division of responsibility/authority within a business staff and their positions in relation to each other.

The organizational structure of a business is important because it determines

- Authority and responsibility – who is responsible for whom and who is in charge?
- Individual job roles and titles
- The people to whom others are accountable
- The formal routes through which communication flows in the business

Organizational Structure includes

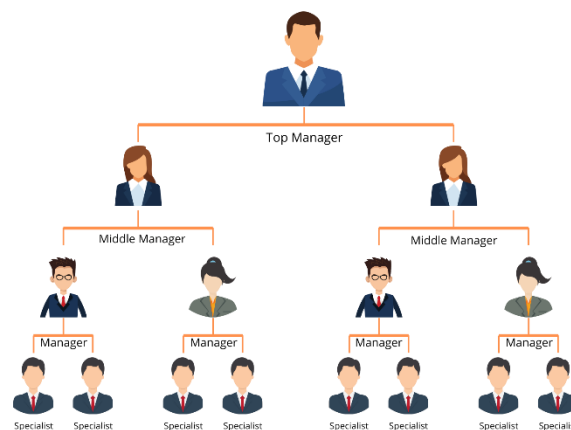
- The routes through which communication pass through the business
- Who has authority and power and responsibility within the business
- The roles and titles of people within the business
- The people whom individual employees are accountable for and those for whom they are responsible

Advantages of Organizational Structure

- All employees are aware of which communication channel is used to reach them with messages
- Everyone knows their position in the business. They know who they are accountable to and who they are accountable for
- It shows the links and relationship between the different departments
- Gives everyone a sense of belonging as they appear on the organizational chart

Hierarchy

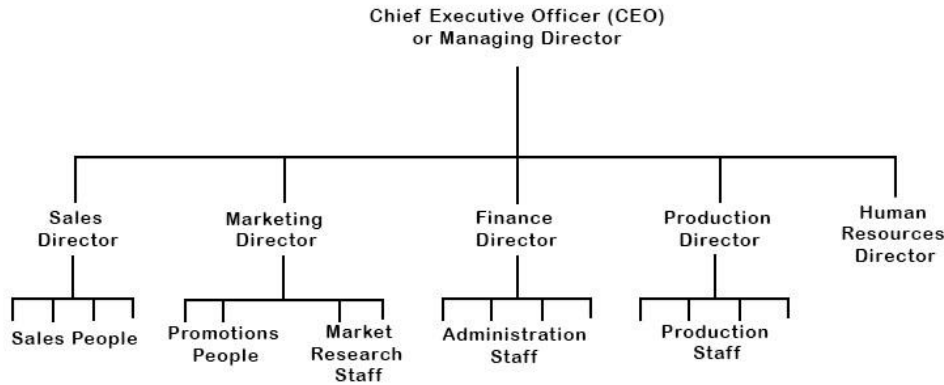
A hierarchy refers to the levels of authority within an organization



- It describes the ranking of positions from top to bottom
- The higher the position in the hierarchy, the more authority and power it holds
- The hierarchy usually includes top-level management, middle-level management, and lower-level employees

The hierarchical nature of the structure shows that employees have different levels of authority and responsibility. The chairperson at the top of the hierarchy has the most, while the apprentices, at the very bottom, have the least.

Chain of command



The chain of command is the structure of an organization that allows instructions to be passed on from senior managers to lower levels of management. In the above figure, there is a short chain of command since there are only four levels of management shown.

Chain of Command

Is how the power and authority is passed down from the top of the organization (managers) to lower employees. (The route through which authority is passed down through an organization.)

- It defines who reports to whom and who is responsible for making decisions
- The chain of command helps to establish a clear communication channel and helps to maintain accountability within the organization

What is meant by 'chain of command'?

structure within an organization through which orders are passed down from senior management to the lower levels of management/pass messages up and down the hierarchy.

Advantages of a Chain of Command

- **Responsibility**
Having different areas of the business can improve accountability by giving everyone a different responsibility. Everyone has their own separate duties, and their own supervisor to keep them accountable.
- **Efficiency**
A functional chain of command helps improve efficiency when communicating with workers. As a result, this helps them improve workflow and adjusting their management methods.
- **Clarity**
Having a good company structure makes the chain of command very clear. Furthermore, this lets everyone know which decisions they are allowed to make and which ones to present to their supervisors.
- **Employee Morale**
Companies that have a clear chain of command create an environment without uncertainty and chaos. It improves the morale of workers leading to high productivity and low employee turnover.
- **Career Path**
It makes it easier to create career paths for employees and track their progress toward their goals outlined in their respective areas.

- Specialization

Making employees focus on narrow functional areas can create groups of specialists that heavily impact the functions of the company.

Disadvantages of a Chain of Command

- Managers could lose control since they have a lot of people under them
- Subordinates could be incompetent

Span of control

The number of people, or subordinates, a person directly controls in a business is called the span of control.

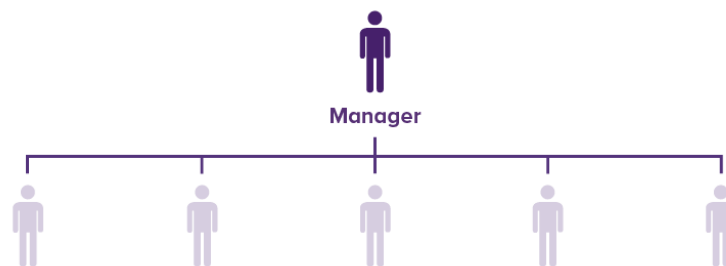
Or

The number of employees working directly under a manager.

Generally, two types of span can be seen in organizations that are

- Wide Span of Control
- Narrow Span of Control

Wide Span of Control



The wider the span of control the shorter the chain of command since more people will appear horizontally aligned on the chart than vertically. A short span of control often leads to long chain of command. Wide span of control creates a flatter structure which has fewer levels of management.

A wide span is associated with a flat organizational structure with fewer reporting levels.

Advantages of a wide span of control.

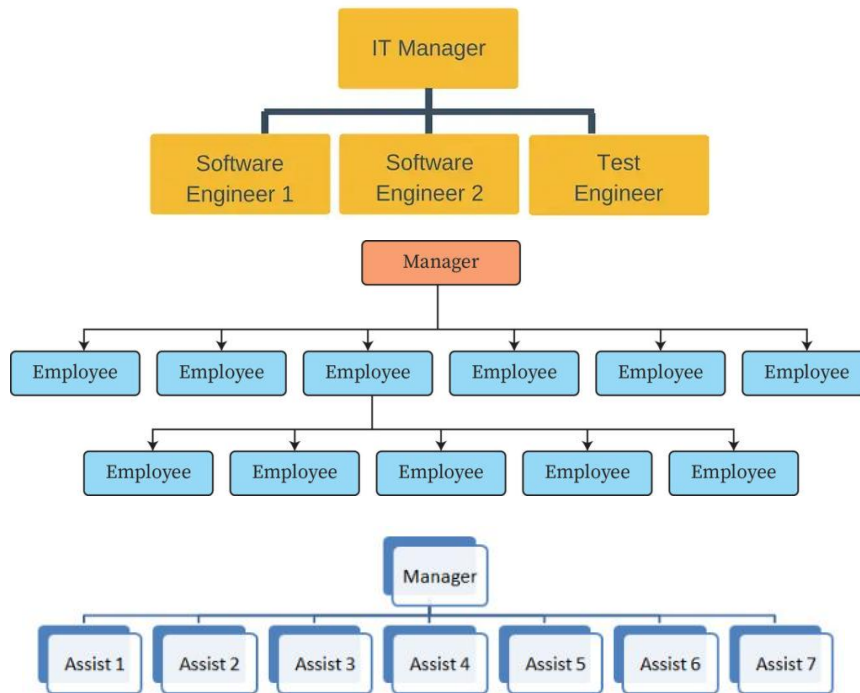
- In a wide span of control, subordinates are more independent.
- Fewer layers in the hierarchy of management.
- The nature of work is repetitive.
- Less direct communication between subordinates and managers.
- Cost-effective in nature.
- Suitable for large organizations.
- Effective communication within the organization.
- Reduced Planning time.
- Results in the flatter organizational structure.
- Subordinates are well-trained.

Disadvantages of a wide span of control.

- Ineffective management.
- Fewer promotion opportunities
- Increased workload on managers.

- The roles of team members are not clearly defined.
- Less communication between managers and subordinates reduces the control of the manager.
- Difficulty in management if the number is considerably large.
- Requirement of qualified superior.
- Delegation of authority may be difficult at lower levels.

Wider the span of control



Narrow span of control

A narrower span of control operates in strictly hierarchical organizations where control is high and kept to the center, and delegation is limited. The manager has only a few workers to supervise. This span of control creates a taller structure which leads to having many levels of management.

A narrow span of management allows the manager more time per subordinate supervised. This enables the manager to guide and supervise his subordinate more effectively. Also the manager has more time available to perform more of important tasks personally, rather than delegate to subordinates. This can improve the quality of decision making.

When one manager manages a few subordinates, it shows a narrow span of control. It is also called the Executive span because it is applicable at the top or middle managerial level. Organizations opt narrow span when the nature of work is complex and requires more assistance from the superior.

Advantages of Narrow Span of Control

- Ease in management.
- Improved control of management.
- Effective Supervision.
- Suitable for work complex in nature.
- Creativity in planning and decision making.

Roles, responsibilities and inter relationship (Employee roles in the organizational hierarchy)



Directors

Directors are appointed to run the business in the interest of its owners. In smaller businesses, owners may also be directors. But in larger businesses owned by shareholders,

For example, they may be different. Directors are in overall charge of activities in an organization. They meet, as the board of directors, to make major decisions that will affect the owners. Some directors, known as executive directors, will be involved in the running of a business.

Non-executive directors may play little part in its running. The managing director (MD) will have overall responsibility for the organization and have authority over specific directors, such as the finance or marketing director.

Managers

Managers are responsible for controlling or organizing within the business. They often make day-to-day decisions about the running of the business.

The sales manager, for example, would have responsibility for sales in the business and be responsible to the marketing director.

Businesses often have departmental managers, such as the marketing, human resources, finance and production manager. There may also be regional managers, organizing the business in areas of a country, or branch managers, organizing particular branches or stores.

Team leader

Team leaders are members of a team whose role is to resolve issues between team members and co-ordinate team efforts so that the team works effectively. A team leader may be part of a permanent cell production team or a team set up for a particular job, such as investigating staff morale. A team leader may also take responsibility for representing the views of a team to the next higher reporting level, for example to report the findings of a market research team.

Supervisors

Supervisors monitor and regulate the work in their assigned or delegated area, for example stock supervisor or payroll supervisor. Supervisors may be given some of the roles of managers, but at a lower level. Their roles in this case may be to hire, discipline, promote, punish or reward.

Professionals

These are positions for staff with high levels of qualifications and experience. The job roles are likely to involve a degree of decision making and responsibility for ensuring that tasks are carried out effectively to a high standard. Examples might include doctors, architects, stockbrokers, product designers, chefs and accountants.

Operatives

These are positions for skilled workers who are involved in the production process or service provision. They carry out the instructions of managers or supervisors. In their own area of activity they may have to ensure targets are met and tasks are carried out effectively. Examples of operatives in business might include staff in:

- Production, for example assembling a car or manufacturing furniture
- Warehousing, for example checking invoices against goods and ensuring effective deliveries
- IT, for example giving technical support for machinery.

General staff

There are a variety of positions in business which are carried out by staff with non-specific skills. They follow instructions given by superiors to carry out particular tasks and are an essential part of the production process or service provision.

Examples might include checkout staff and shelf stackers in supermarkets, cleaners and receptionists in offices. They might also include general jobs on a farm or building site, such as cleaning out.

The role of the management

Roles of managers in a business.

1. Planning (Set goals for the future of the organization.)

Setting aims and targets for the organizations/department to achieve. It will give the department and its employees a clear sense of purpose and direction. Managers should also plan for resources required to achieve these targets the number of people required, the finance needed etc.

- Give the business a sense of direction and purpose (e.g. we will aim to increase sales by 10% by next year.)

2. Organizing

Organizing of people and resources so that the business operates efficiently (Managers can't do everything, they must delegate tasks to other employees) managers should then organize the resources. This will include allocating responsibilities to employees, possibly delegating.

3. Coordinating

Making sure all departments are working together to achieve the overall objectives and plans of the organization. (e.g. Manager makes sure marketing and operations department work together to plan for a new product launch)

managers should ensure that each department is coordinating with one another to achieve the organization's aims. This will involve effective communication between departments and Managers and decision making. For example, the sales department will need to tell the operations dept. how much they should produce in order to reach the target sales level. The operations dept. will in turn tell the finance dept. how much money they need for production of those goods. They need to come together regularly and make decisions that will help achieve each department's aims as well as the organization's.

4. Commanding

Managers need to guide, lead and supervise their employees in the tasks they do and make sure they are keeping to their deadlines and achieving targets.

- Guiding, leading and supervising of employees in the organization. (Managers need to make sure that employees are doing their work!)

5. Controlling

This involves monitoring performance to ensure that objectives will be met.

Managers must try to assess and evaluate the performance of each of their employees. If some employees fail to achieve their target, the manager must see why it has occurred and what he can do to correct it- maybe some training will be required or better equipment.



Leader

A Leader is "a person who influences a group of people towards the achievement of a goal".

Or

A person or thing that holds a dominant or superior position within its field, and is able to exercise a high degree of control or Influence over others

Autocratic leadership

Autocratic style is where the managers expects to be in charge of the business and have their orders followed. They do all the decision-making, not involving employees at all. Managers do not trust workers and simply give orders (one-way communication) that they expect to be obeyed. Therefore, the group become dependent on him or her. Style of leadership that keeps all decision-making at the center of the organization. Supervisors or leaders have absolute power (directing, supervision, controlling, decision making etc.) to control the entire organizational activities and subordinates.

Characteristics of Autocratic Leadership

- Little or no input from group members
- Leaders make the decisions
- Group leaders dictate all the work methods and processes
- Group members are rarely trusted with decisions or important tasks

Pros

- It facilitates quick decision at the time of crisis
- It is simple and easy to understand because of clear chain of command
- It ensures proper secrecy and privacy in the organization
- It helps to increase the performance of the employees which increases the productivity and profitability.
- It increases the motivation of the leader
- It is very suitable for small organizations with few subordinates and limited functions

Cons

- It is not suitable for big and complex organizational structures
- It is less flexible than other types of leadership style
- Skills, talents and creativity of employees are not properly utilized
- It increases employee turnover because of frustration and stress
- It increases the burden of superiors because of centralized authority

Democratic leadership (Also known as participative leadership)

A leadership style that promotes the active participation of workers in taking decisions. Democratic leaders will engage in discussion with workers before taking decisions. Communication links will be established on the two-way principle, with every opportunity for staff to respond to and initiate discussion. Managers using this approach need good communication skills themselves to be able to explain issues clearly and to understand responses from the workforce.

Characteristics of Democratic leadership

- Delegation of tasks to other employees and subordinates along with full responsibility makes them accountable for their actions and tasks.
- The manager or leader in-charge is always open to feedback (initiatives and otherwise) and it forms the basis of future assignments.
- Encouragement by the leader to inspire the employees to become leaders and develop in this area.
- Democratic leaders actively involve employees in the decision-making process and encourage discussion, though they have the final say
- Consultation, collaboration, delegation and teamwork are common features of democratic leadership
- This leadership style is most effective in organizations with skilled, experienced and creative employees

Pros:

- It facilitates participative decision making in the organization
- Open communication helps to make better superior subordinate relationship
- Because of specialization productivity and profitability can be improved
- It improves employee motivation which helps to decrease staff turnover
- This system can be applied in almost all types of firms
- It is useful for career development
- Subordinates' skills and talents are properly utilized

Cons:

- It is not suitable if subordinates are incompetent or unskilled
- long decision making process is not suitable at the time of crises
- It is difficult to maintain secrecy
- Leaders face difficulties to maintain better discipline
- It may lack responsibility and accountability

laissez-faire leadership (Delegative leadership)

A laissez-faire leadership style is more of a 'hands-off' approach to leadership. A laissez-faire leader provides others with the proper tools and resources needed, and then backs off. The leader gives little guidance and direction, and allows others the freedom to make decisions. This leadership style can be effective when the group members are highly skilled, experienced, motivated and capable of working on their own.

What Is Laissez Faire Leadership Style?

It is just opposite of authoritarian leadership style (where authority and power is exercised by the leader only). In laissez faire leadership style, authority is delegated to the employees and they are free to set goals and make decisions. Superiors trust their subordinates and do not interfere in their works. It encourages the employees to explore their knowledge, skills and capabilities in the organization.

Pros:

- It encourages decentralization and specialization
- It increases the morale of the subordinates
- It facilitates personal growth and development opportunity
- It is very suitable for competent employees
- It encourages creativity and innovation
- It facilitates quick decisions

Cons:

- Because of the lack of secrecy, official matters may be leaked
- It dilutes the roles and importance of managers
- This system does not suit for unskilled, incompetent and inexperienced subordinates
- There is a possibility of misunderstanding, confusion and conflict if the roles are not defined properly
- It lacks proper discipline in the workplace
- It lacks proper supervision and monitoring

Trade Union

A trade union is a group of workers who have joined together to ensure their interest are protected.

They negotiate with the employer (firm) for better conditions and treatment and can threaten to take industrial action if their requests are denied. Industrial action can include overtime ban (refusing to work overtime), go slow (working at the slowest speed as is required by the employment contract), strike (refusing to work at all and protesting instead) etc. Trade unions can also seek to put forward their views to the media and influence government decisions relating to employment.

Define 'trade union'.

Group of workers who join together to ensure their interests are protected

Or

Organization that represents the workers and fights for improvements to pay and conditions

Or

An organization that exists to provide workplace support for its members

Benefits to workers of joining a trade union

- Gives strength in numbers/collective bargaining so more likely to achieve demands
- Provides services such as insurance
- Improved pay
- Improved working conditions/health and safety
- Representation in grievances
- Represents the views of the workers
- Advice can be given if the worker has problems
- Legal support if the worker has problems
- Access to training/education
- Social activities/clubs
- Unions membership benefits e.g. discounts

Benefits of Trade unions to employer

- Trade unions usually intervenes to ensure that its members respect the employment laws
- Employers will discuss issues with a representative from a trade union rather than discussing the same issues with numerous employees
- A trade union can be asked to explain to the employees that their actions are not lawful and that they must return to work
- Trade union can encourage its members to further their education and the business will benefit from increased productivity

Benefits of Trade union to employees

- Employees have someone who can negotiate with employers on their behalf. These representatives are more experienced in negotiating than the average individual employee
- Employees will be protected from illegal dismissal
- Members will get up-to-date information about employment legislation that applies in the country
- Improvement in wages and working conditions
- Financial support at favourable rates
- Protection from unfair discrimination