Management, leadership and motivation

Management is the ability to coordinate the activities of a business to achieve its goals. A manager is responsible for organising, coordinating, supervising and motivating the employees, to achieve the goals of the business.
Leadership is the ability to influence others to follow a particular direction and goal.
Motivation is the willingness of people to work.
Delegation is giving of authority to another person to carry out a task. This comes with accountability.

Communication

The **transfer of information** between people and organisations.

Effective communication

- **Brief, clear, accurate, right medium**, allows for legal requirements and low cost. Improves **productivity**, industrial relations, teamwork, staff morale and reduces errors.
- Can be **external or internal, verbal, written or visual** form.

Reactive manager - **reacts to events** when they occur with little or no anticipation or planning.

Proactive manager - **anticipates events** e.g., problems, changes to markets, new trends, consumer demand and plans for them.

Leadership style comparison

Trust, delegation, decision making and persuasion.

Autocratic	Democratic	Laissez-faire
Little trust	Trust workers	Total trust
Do not delegate	Delegate responsibility	Delegate readily
Make all decisions	Discuss ideas	Workers make decisions
Intimidation and fear	Reasoned arguments	Reasoned arguments

Style	Advantages	Disadvantages
Autocratic	Quick decisions Ideal where discipline is important, e.g., the Army, surgeons Useful in a crisis where direct leadership is needed.	Poor quality decisions Valuable opinions overlooked Manager wastes time by not delegating Manager can get overloaded Subordinates may become frustrated and de-motivated.
Democratic	Better quality decisions Delegation gives manager time Motivated staff Encourages initiative and intrapreneurship More trust; better industrial relations.	Slower decisions Quality of decisions may suffer; manager listening to too many ideas.
Laissez-faire	Fast decisions made by those close to issue Motivates staff when given so much responsibility Initiative and intrapreneurship encouraged.	Inexperienced staff may make poor decisions Stressful with so much responsibility Not enough support.

Factors influencing leadership style

Need for an instant or quick decision - autocratic style would be appropriate e.g., a product recall or an emergency.
Type of employees - amount of direction needed.
Complexity of the task/skills of employees - will require more detailed instruction and supervision.
Corporate culture - influences the leadership style expected.
Span of Control - can influence the style of leadership in terms of delegation and direct input.

McGregor's Theory X and Theory Y

Are motivation theories involving **two contrasting ideas** about workers attitudes and what their managers believe about their employees.
Theory X is associated with an autocratic style of management. The manager directs and controls work and shows little trust in staff
Theory Y is associated with democratic style of management. This manager delegates work, gives responsibility and encourages workers to use initiative.

What is motivation?

Motivation is the **willingness** of people to work. It consists of all the drives, forces and influences that cause people to want to achieve certain goals. It is the factors that cause people to act or behave in certain ways. People's behaviour can be influenced by motivating them to meet their unsatisfied needs or goals.

Benefits of motivation

The benefits of high motivation in a workplace are:

- **Higher productivity levels**
- **Lower absenteeism**
- **Better quality of work done**
- **More willing to accept change**
- **More likely to contribute ideas and be innovative.**

My prediction

Theories of motivation

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

Maslow's Hierarchy of Needs

Suggests people are **motivated by a tiered hierarchy of needs** which are arranged in order of their importance, starting with basic needs such as food, water, warmth and shelter, followed by safety, social, esteem and self-actualisation.

Human resources management HRM
Human resource management makes sure a business has the **right staff, with the right skills at the right time**. HRM places a huge emphasis on the importance of having the right staff.

Training
- ensures employees have the **skills and knowledge needed**

Staff development training – so workers can take on new and more challenging work.

Multiskilling - trains workers to take on a wide range of different jobs.

3 types of training:
- **Induction** - for new staff. It introduces the job and the organisation
- **On the job training** - in the workplace, practical work experience and observing more experienced staff
- **Off the job training** - outside of work, usually involves training courses or in-service days.

Benefits of training
- Workers have **the skills** to do the job and provide good quality goods and services leading to higher sales and profits for the business.
- Variety of skills makes workers **more flexible** and more likely to cope with change in the business.
- Staff need **less supervision** and can do their jobs well, so this frees up the manager's time.

Human resource planning
- anticipates future labour needs and how the business can meet these needs. It involves :

Human resource auditing which looks at the workers and skills presently in the business.

Human resource forecasting which predicts the future labour needs and the possible need for recruitment, training, promotion or redundancy.

My prediction

Rewards
Rewards can be financial or non-financial.

Financial rewards are those that involve payments e.g., raised salary, overtime, bonuses, commission, profit sharing and benefits in kind such as health insurance and company cars.

Non-financial are those that offer reduced hours, holidays, flexible working, job sharing etc.

Recruitment
- finding applicants for a job. Stages:
- **Prepare the job description** - job title, conditions, duties, place of work, responsibilities. where the job fits in the overall organisation. The salary would also be included
- **Prepare the person specification** - required qualifications, experience, training, fitness level and language skills.
- **Job advertisement** - the job description and person specification form the basis of the job advertisement
- **Shortlist applicants** - review the letters of application and CVs and then make a short list for interview
- **Interview** - a selection technique to choose the candidate who most likely fits the person specification for the job and the culture of the organisation.

Internal and external recruitment
Benefits of internal recruitment
- **Morale improves** - promotion opportunities and career progression. Can motivate and strengthen commitment
- **Employee's skills** - capabilities and attitude to work known. Knowledge of the business reduces induction training costs
- **Reduces labour turnover** - opportunities exist causing less disruption. The vacancy can be filled more quickly with less advertising costs.

Benefits of external recruitment
- **Best candidate for the job** - a wider range of candidates
- **Experience from previous employment** - better skill sets maybe available from outside the business
- **No existing relationships in the business** – this may reduce chance of conflict amongst existing staff.

Performance appraisal
This is an **assessment of an employee's performance** at work. Process of **setting targets and goals** for each employee and assessing their performance over time, usually a year, to see if their goals have been met.

Why is performance appraisal used?
- ✓ **Review and assess performance** - can be used to determine a reward e.g., pay rise, bonus, promotion
- ✓ **Goals can be set** – these goals can then be agreed by employee
- ✓ **To provide employee feedback** – may help to improve their productivity
- ✓ It can be used to **motivate** employees - by recognising achievements.

Employer and employee relations
Establish good industrial relations by:
- Ensuring good **communication** exists
- Providing financial and non-financial **rewards**
- Having a clear '**Grievance Procedure**'
- **Good working conditions** - health, safety and welfare
- **Encouraging industrial democracy** where employees have participation and power in the decision making

Benefits of good relations
- **Boosts the morale** of workers
- Reduces **labour turnover**
- **Increases productivity** - the output per worker
- Reduces the risks of **industrial action**.

How to manage change
Create a culture of change – embrace new tech and ideas

Consultation and communication with staff

Training – to help adapt to change e.g., new technology

Promote a facilitator management style

Promote employee empowerment

Promote a commitment to quality – change to keep up quality.

Why people resist change
Psychology - afraid of the loss of their job or status

Confidence - in ability to cope

Communication - f may be unaware of the reasons

Disagreement - staff may disagree with the reasons

Laziness –the potential hassle involved.

ABQ Revision 2026 | Units 3, 4 and 5 | Unit 3 - Leadership or motivation | Unit 4 – HRM or managing change | Unit 5 – Marketing mix, market research

Market research
Market research collecting and analysing information about the market for a product or service.

Field/primary research – new data e.g., questionnaires, surveys, observation, focus groups.

Up-to-date, relevant and specific to company.

Costly time consuming and may include inaccuracies.

Desk/secondary research - already collected. Internal and external sources e.g., company reports and CSO data.

Large amounts of data can be collected quickly and cheaply.

Might be out of date, not relevant, no clear explanations

Respondents - chosen randomly or by characteristics

Quota sampling - chosen by characteristics i.e., age, gender etc.

Cluster sampling - chosen from one geographical area that is thought to be representative of the whole market.

What is marketing?
Process of **identifying, anticipating and satisfying** consumer needs at a profit.

The marketing concept
A business will aim to have the **right product**, at the **right price** and in the **right place** with the **right promotion.**

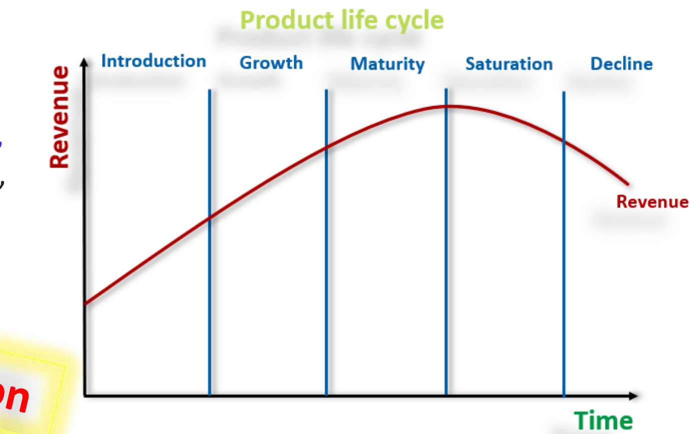
Advertising communicate directly with target market

Public relations or PR involves communicating with the public

Merchandising is the display or products at or near the point of sale

Direct marketing or personal selling involves contacting customers

Marketing mix
The marketing mix is made up of the main areas of focus for a successful and comprehensive **marketing plan**. They include the four P's which are **product, price, place and promotion**. By focusing on the marketing mix, a business can make useful decisions about how to go about launching new products onto the market or revisiting existing products.



Not all products reach this final stage. Some continue to grow, and others rise and fall.

My prediction

Product
Product is the good or service produced and **refers to the:**

The core product – main function

Design - attractive and eye-catching for the target group

Packaging - **physical protection** e.g., plastic bottles or cans for drinks

Brand name - **identity** e.g., name, logo, a symbol

Product life cycle - stages from when it was first thought of, until it is finally removed from the market.

Place
Place is concerned with the 3 **channels of distribution**, the path a product or service takes from the producer to the consumer.

Channel 1 - producers selling directly to consumers

Channel 2 - producers selling through retailers

Channel 3 - producers selling through wholesalers.

Price
Factors to consider when deciding on a price:
Cost of production – what it costs to develop and manufacture

The break-even point – the point where the total revenue is equal to the total costs

The level of demand - the higher demand, the higher the price

Competitors pricing – price of products in the same market

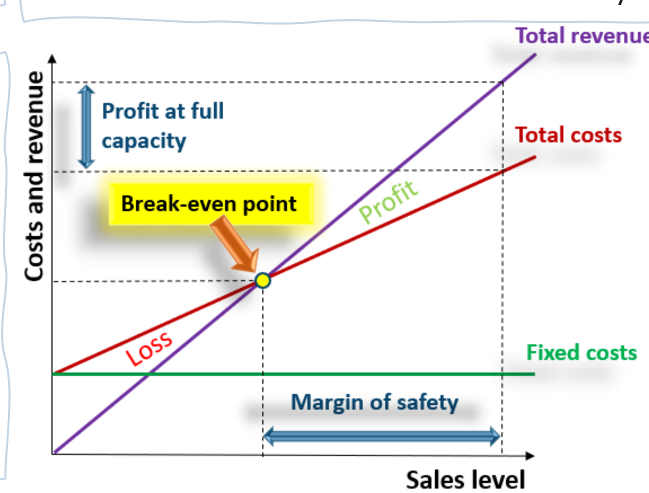
Stages in the product life cycle – products in decline phase will charge a lower price for the product

Product positioning – position of the product in the market determines the price e.g., exclusive or mass market

Seasonal influences – end of the season may be sale prices.

Promotion
Communication by the seller to influence the target market. Promotion involves **advertising, sales promotion, public relations, merchandising and direct marketing**.

Why do businesses use promotion?
- **Launch new products** onto the market
- **Promote their brand name and gain recognition**
- **Create an image** and to give an identity to the product
- **Inform consumers** about a products features
- **Increase or maintain the level of sales.**



Calculating the break-even point

1. Use the formula:

$$\frac{\text{Fixed cost}}{\text{Contribution}}$$

Contribution = selling price – variable cost