

Handm motivational factors essay sample

[Psychology](#), [Success](#)



The purpose of this assignment is to carefully analyse the major goal of H&M, how motivation, communication, structure of the organization, culture, authority affects reaching their major goal. The following theories are being used to show the advantages and the disadvantages of the company:

Maslow's hierarchy of needs, Human Relations Movement

(Hawthorne), scientific management (Taylorism), Herzberger's Two-Factor Theory and Style theories. It will be discussed how H&M encourages their employees to be self-motivated, makes sure to educate and share the knowledge and pass on the " spirit of H&M". It seems that H&M is focused on treating people with respect and their desire is that the employees would involve in everyday`s activity. Social factors had a far greater impact on output than physical condition. Different views of human nature than can be traced back in history, and that still has a great impact on how humans are addressed. Treating employees with respect, giving them space to develop, to be inspired, is how H&M motivates their employees. The assignment is looking at the structure of the H&M as a tall organisation based on horizontal differentiation.

The project is focused on theories and how are these applied on H&M, as Maslow argues that the needs are universally and that the needs have to be satisfied, in the right order, from the bottom and up but according to Herzberg's Two-factor Theory, people has diverse motivational factors by things they make them feel good about work. The theory highlights that satisfaction is not reached unless dissatisfaction factors are gratified.

Taylorism theory ignores people's individual differences, because it is seldom that people like to work in the exact same way.

In addition it is examined in the assignment the diverse authorisation types, such as line, staff and functional authorities. As for the style theories, it is difficult for one person to only practice one of the three style theories; Democratic, Autocratic or the Laissez-faire leadership styles. In real life and according to the working pressure and the surroundings, a type of situational based leadership would be a more realistic term.

The Human Relations Movement according to Hawthorne theory is used to analyse the human factor in the organisation as it focuses on the personality role in it.

1. 1 Introduction

What motivates people? How do you make people perform everyday, in a way, where they think it is interesting to work, meanwhile the company expands and makes money? In history there have been different ways to deal with motivation. One of the reasons is that there are different views on human nature.

In the industrialization period they focused more on the production side and the output of human effort. Later the type of work each employee does in Europe changed, from heavy manual labor, to a more knowledge based labor. This shift combined with different ways to approach motivation, has made it interesting to see how companies manage to keep up the motivation. Since the first store opened, in 1947 in Sweden, selling only women`s clothing H&M changed dramatically in order to reach the success they are happily enjoying now. It took 17 years until the first store opened in

a foreign country, in Norway. By the year 2000 they already reached the American continent and until the present days they covered 43 markets.

The assignment will not only deal with the issue of how H&M motivates and makes sure that the employees are able to perform, but also it will be focused on the goals of the company. Another important part of our project reveals the internal organizational structure and the way all of the parts operate so all the mechanism named H&M is working properly. 2. 1 Problem statement

How does H&M behave to fulfill its organizational goals? We will look at it on macro level.

2. 2 Delimitation/interpretation:

This assignment will focus on the organization within the nominal boundaries. It appears in our problem statement that we will focus on all H&M's goals. Since this assignment is limited in its size, the area of interest will be about how the motivation factors within the H&M could have an influence on how H&M has chosen to build their organization to fulfill their goals. In the organization the goals are: Taking care of the environment, CSR and the pursuit for profit. Also how the structure within the H&M organization is organized will be taken into consideration.

A goal is: A desired state of affairs which an organization attempts to realize (Rollinson, Derek 2008) 3. 1 Methodology section

To answer the problem statement according to the motivation within H&M, the theories there will be applied are: Maslow's hierarchy of needs

Human Relations Movement (Hawthorne)

Scientific management (Taylorism)

Style theories

Herzberger's Two-Factor Theory

Why these theories have been chosen, is to examine the motivational factors within the H&M. The theories will be used, where they make sense and to describe how H&M creates motivation for the employees. The theories, described in the assignment has been used to analyse what motivates people within the company to reach their goals and to be satisfied in the environment they are working in. Maslow's theory of needs assumes that human needs are virtually inexhaustible and that one set of need is satisfied, another arises in its place VII It can be visualised in hierarchical pyramid (picture 2) The different levels of this theory have been investigated throughout the analyse section in context of H&M different activities.

Picture 2-(www.blog.makingitclear.com)

The Human Relations Movement according to Hawthorne theory is used to analyse the human factor in the organisation. It highlights the personality role in it. The lack of human factor is emphasized in the organisation process by the Scientific Management Theory. The validity of this theory has been examined in the assignment. Style theories investigate the leader's behaviour in distinct situations. It points out what is working in the theories, but not functioning in the reality.

According to Herzberg's Two-factor Theory, people has diverse motivational factors by things they make them feel good about work. The theory

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highlights that satisfaction is not reached unless dissatisfaction factors are gratified. Distinct satisfaction factors has been examined.

The assignment is looking at the structure of the organisation at H&M such as horizontal differentiation and tall organisation.

In addition is examined in the assignment the diverse authorisation types as line, staff and functional authorities. It shows how people are functioning in different authorisations. In the assignment it has been attempted to explain how the theories could be used to describe H&M organisation. 3. 2 Reviewing theories and models:

“ First, as theories, they are much more descriptive than predictive”

(Rollinson, Derek 2008).

The criticism of Maslow: Maslow argues that the needs are universally and that the needs have to be satisfied, in the right order, from the bottom and up, in the pyramid. This assumption is not necessarily true. Some people do not satisfy their needs in the order Maslow argue in his theory. If people are not aware of what Maslow describes as needs they need to have fulfilled first, they just consider the top stage level as the most important. Some cultures can even look at the sequence of the needs and not agree with Maslow. People in some countries focus more in the need of security where others tend to focus on social needs. Maslow indicates in his theory that some of the needs are more primitive and others are advanced. This is a very strict way of looking at motivation. Another point against Maslow's theory is that it has been hard to prove in real life with empirical studies.

The fact that the theory rose from studying monkeys can undermine the universal statement that the theory has. The monkeys were also captivated, which could have had an influence on the basis principle the theory is build upon. An explanation to why the theory has become so widely known is, that it is simple and easy to understand, not the fact that the theory is true. The simplicity and the easiness in the theory can also give managers the idea that they know what motivates their employees. The criticism is not stating that the Maslow's hierarchy of needs is useless, just implying that it is only a theory. There are just individual preferences that just can't be ignored.

Criticism of George Elton Mayo's Hawthorne studies: The criticism focus on the way the studies were made in a rigor manner.

Criticism of the style theories: It is difficult for one person to only practice one of the three style theories; Democratic, Autocratic or the Laissez-faire leadership styles. In real life and according to the working pressure and the surroundings, a type of situational based leadership would be a more realistic term. The fire captain is probably not very democratic or laissez-faire in an emergency situation.

Criticism of Taylorism: The theory ignores people's individual differences, because it is seldom that people like to work in the exact same way.

Taylorism does not take the social/human factor into account - but looks more at people as they were machines. Taylor assumed that pay was the only motivating factor for the employees and " that efficiency required the separation of ' thinking' and ' doing' "(Rollinson, Derek 2008).

4. 1 Analysis

Motivation is (Heltbech, Henning 1998):

4. 2 Motivation to reach the financial goals within H&M

“ Our goal is to increase our number of stores, in both new and existing markets, by 10-15% each year. In pursuing this growth, we want to make more sustainable fashion accessible and affordable to more people around the world”.

- Karl-Johan Persson, CEO at H&M (www. HM. com)

The pyramid that illustrates Maslow's hierarchy of needs, is a very used theory within motivation and focuses on how needs should be fulfilled in the right order, where you in the top have the self-actualization (Rollinson, Derek 2008). For the company to have employees at this stage, would be optimal, because this is where people release their full potential. The stage of self-actualization is also the place where people “ do things that have never been done before ”(Rollinson, Derek 2008). Therefore, if H&M wants to obtain the growth, H&M has been having the last couple of years, they must focus on motivation and make sure that people have a lot of it. Motivation is a very crucial contribution to secure the financial growth and profit increase. An organization like H&M has to be agile and very adaptable to new ideas. They must also have the energy and surplus to make the goals of profit, into real money.

Now that H&M has become a major company with 94, 000 employees, 2600 stores on over 40 markets (www. HM. com), it is still vital to make sure that

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the employees have the necessary motivation. To make sure that the organization is capable of performing according to the goals within H&M, it is necessary to fulfill the employees' needs they have. This is, so that the employees' focus on the goals of H&M, and not on other needs that first must be fulfilled. From the employees point of view self-actualization is what they strive for. The company must therefore make sure there is a match between the employees' wish of self-actualization and the financial goal of growing 10-15% in number of stores per year.

The stage of self-actualization is where the company's initiatives to motivate people and how the employees motivate themselves should meet. Since the employees basic needs must be fulfilled, before entering the stage of self-actualization, H&M must give " fair pay and working hours "(www. H&M. com). H&M hopefully does this and has no restrictions if employees want to join unions. According to the information on their homepage, it could be interpreted that H&M impose the democratic leadership (Rollinson, Derek 2008). H&M puts a lot of effort in telling that employees have to participate in the experience of shopping at H&M. To do so the employees must take action and responsibility (www. HM. com). Compared to the authoritarian leadership method, which is a more strict way of giving orders and telling people what to do, H&M encourages their employees to be self-motivated. Accompanied with the many store openings, H&M makes sure to educate and share the knowledge and pass on the " spirit of H&M".

According to Taylor and how the scientific management (Rollinson, Derek 2008) is dealing with employees and their performance, H&M does not use

this method in their stores (www. H&M. com). H&M seems more focused on treating people with respect and employee involvement. This leads to George Elton Mayo who with his Hawthorne studies lead to the: Human Relations Movement. With his studies, he showed that "...working satisfaction is strongly dependent on informal social factors for example friendliness, cooperation between group members. Second, that these social factors had a far greater impact on output than physical condition" (Rollinson, Derek 2008). In the line of the studies from Mayo, we see that H&M is to some extent using the theory to create a good working atmosphere, and that should hopefully pay off in higher effectiveness among employees. From the social part of view, as the Hawthorne studies showed were important, H&M encourage people to work in teams. The teamwork should lead to a greater pleasure in working with others and to work together to fulfill the goals.

H&M even has its own incentive program, where all employees are encouraged to create a long term commitment with H&M. Regarding the position within H&M, all the employees are included in the program. Having the mind on motivation, the incentive program would give employees more attention and encourage them to be themselves (www. H&M. com). That could give a spillover-effect towards more satisfied customers, who then hopefully would like to shop at H&M again. This way H&M can aim for the long term growth and not use too many resources on management, but focus on good leadership. Making the employees self-motivated and structured, H&M saves money and makes the company able to " the

customer unbeatable value by offering fashion and quality at the best price” (www. hm. com).

Motivation of the employees within the organization is also about how people outside the organization are treated. . “ 86 per cent of British workers believe it is important that their employer should be responsible to society and the environment ”(Rollinson, Derek 2008). Taken the statement into consideration, even though H&M is Swedish, it seems like H&M follows this statement. 4. 3 Motivation within the CSR and the environment

According to Corporate Social Responsibility (CSR) companies are not only responsible for themselves, the production and profit, but they should also take responsibility for environment and society. As a result, the companies carry out projects, which are not focusing on profit, but take care environment and society. In case of H&M which is one of the world’s leading fashion companies presented in 43 countries far and wide the CSR is represented as a structured corporate concept. To fulfil this goal H&M is strive to improve the suppliers working conditions.

” We want to stay and create genuine improvement. Our approach has allowed our suppliers to be more open with us, and has also increased our ability to help them improve the workplace.” -Helena Helmersson Head of Sustainability at H&M-Annual report 2011 (www. hm. com)

According to Maslow’s Needs Theory such an intention fulfils the level of self-actualisation. In this interpretation the drive exceeds/transcends the physiological needs and incites the employees not to be satisfied and desire

to success. Maslow assumes that needs which are satisfied no longer have a motivational effect (Rollinson, Derek 2008).

H&M makes an effort to strengthen communities as a part of CSR. It has invested SEK 49.5 million in various social projects in 2011, mainly in India and Bangladesh. In addition the company gives donation to disaster funds and donate large number of garments to donate organisations. H&M also participate in long-term social activities, for instance for a 5 year cooperative program has been taken place to give children opportunity to attend school and ensure proper healthcare(www. about. hm. com). Most of activity has been taken place in India and the Asian countries. The essentials of CSR is well-illustrated by the company's social activities. Analysing these processes on organisational levels with the use of Maslow's Needs Theory.

Esteem needs and self-actualisation are reached. Esteem has been achieved by ensure valuable social help in different countries. It increases the moral of co-workers and also gives motivation on a higher level to set further goals. In the light of Herzberg's Two-factor Theory in such a level of social activity several motivators are presented. Thus it hits the satisfaction. Motivators for instance responsibility, the nature of work and sense of achievement (Rollinson, Derek 2008): In addition to social responsibility such a powerful company as H&M has to focus on environmental issues too. One the one hand it is an external requirement, on the other hand H&M has been made efforts to make environmental protection to an important internal motivation.

“ We want to our customers to feel confident that everything they buy from us is designed, manufactured and handled with considerations for people and the environment.” -Helena Helmersson (www. hm. com)

H&M does not own factories, but instead buy their garments from the suppliers. It follows that H&M works in close corporation with the suppliers and makes them to keep the terms of the Code of Conduct (www. about. hm. com) and adhere the strict chemical limitations in order to fulfil the requirements as H&M suppliers. According to Maslow's it reach the requirements of security needs as it makes the suppliers to be predictable. Furthermore the standardization of working process creates a safe structure. H&M is now according to the Textile Exchange, the world's largest consumer of organic cotton. By 2020 all of the cotton H&M uses must come from more sustainable sources. Organic cotton is part of the solution as well as cotton grown under the Better Cotton Initiative(BCI) and recycled cotton. In the light of Maslow's Theory it can fulfil the self-actualization requirements. The responsible company co-worker aims to think for the future as a part of motivation factor. It drives them to reach their sustainability on a long run. 4.

4 Structure

H&M is a pioneer in the industry of cheap but chic fashion. If there is a web of the shops, there should be a heart of all structure, its head office is in Stockholm where are the main departments for design and buying, finance, accounts, expansion, interior design and display, advertising, communications, logistics, security, IT and environment are located. Structure is intended to facilitate achieving organizational goals and

considering the first chart H&M is a tall organization and has a relatively large number of levels in its hierarchy of authority. Even though employee satisfaction may be lower because of the many layers of bureaucracy and because they have fewer opportunities to take on responsibilities, on www.glassdoor.com the average of satisfaction level of ex-employees of H&M is 3.2 out of 5.

On the other hand considering the basic arrangements for differentiation and integration in H&M structure, using the horizontal differentiation it can be seen that in figure no. 1 it is presented the functional grouping. By using this method only the specialist are brought together so it is encouraged the efficient use of resources and also there isn't any duplication. The structure is easily understood by those involved as the specialist can understand each other better so the coordination in these groups is made easier.

Although the functional goals can be put in front of the companies goals and the result can be a sub-optimal performance, within H&M there wasn't a visible situation like this yet.

“ As organizations grow their structures become much more vertically and horizontally differentiated, which in general terms has two opposing consequences. First, clear economic advantages accrue from specialization and formalization, and there is extremely strong evidence that larger firms adopt these principles outperform those that are more loosely structured.”
(Child 1984)

This takes us to the way you actually lead your employees and the authority each hierarchical level gives you. It is widely known that if you want to reach a goal you should have a strict vision of how are you going to do it. In business world is the same, but here comes another problem, often you are not able to reach you goal on your own. So you have to hire some people to help. Employees may have good ideas and inspiration of working, but they may have a different goal in their life so you need to lead your hired workers to right way to your goal. There comes a need of authority, people who are interested in your goal and who can help to reach it. H&M is huge organization, that sales fashionable clothes in reasonable price.

Considering that H&M is a world wide organization it needs to have strict authorities. Here every store has same, tested structure of authorities and it goes in this order Manager, Department Manager, Sales Advisor, Visual Merchandiser. Each of those has his/her own area to cover and to focus on. In the business world there are three types of authorities and these are named like this: 1. Line Authority

2. Staff Authority

3. Functional Authority

1: Line authority is the power to give orders to subordinates. Line managers are responsible for attaining the organizational goals as efficiently as possible. Production and sales managers typically exercise line authority

2: Staff authority provides power to give advice, support, and service to line departments. Staff managers do not command others. Examples of staff authority are found in personnel, purchasing, engineering, and finance.

3: Functional authority is staff's ability to initiate actions within a given area of expertise. Functional Authority allows decisions to be implemented directly by the staff. In an organization functional authority can be found in accounting, labor etc areas.

At H&M we can notice all these three types of authority being applied because every store has line and staff authority in order to reach companies goal, to keep track of all of the sales. But each shop has to receive guide lines about how everything should go on and there comes functional authority, it gives order to both and for staff and for line authority.

If you want to successfully lead people in the way to help you to reach your goal you have to show the right authority. Your authority will be accepted only if you fulfill the following conditions: 1. The individual can understand the order being communicated. 2. The individual believes the order is consistent with the purpose of the organization. 3. The individual sees the order as compatible with his or her personal interests. 4. The individual is mentally and physically able to comply with the order. H&M shows great success, so it must have all authority in the right way. In H&M every person works as a part of structure, not as a separate worker. The leaders and owners take care of all the employees, trying to raise wages for workers as much as possible, so everybody enjoys and has a point to work better and faster. In relations with designers H&M helps them to make their presentations of new collections and from there come some of the benefits, for designers (it is easier to make presentations and get widely known) and for H&M (more people notice them, as fashionable clothes shop). So

according to this H&M reaches the major goal in all ways and fulfilling the workers needs, holds workers, cares of them, has a straight way to goal and leads all company workers to it success.

H&M has developed the mechanistic organizational design as the structure is rigid and we can see in Figure no. 1 that each individual has its own place in the hierarchy but the most important thing is that the second level is direct responsible to CEO Karl-Johan Persson . Within H&M the communication is vertical and the power and the knowledge are at the top and the higher the role/job is the more responsibilities and obligations are attached.

5. 1 Discussion

To be motivated in your job, has to do with how the management has decided to organize the company, and how they treat you and the outside world. There are different ways of looking at the human nature and that can have an effect on how people are treated. The different views of human nature can be traced back in history, and has still a great impact on how humans are addressed. We see that in politic statements on many levels, in many areas. Treating employees with respect and giving them space to develop and to be inspired, is how the assignment describes H&M. H&M tries to motivate by giving the employees a high degree of inspiration to be self motivated. The issue is, if the unidirectional H&M culture dominates too much, that some employees may not be motivated, but frustrated. H&M is trying to manage the motivation of their 94, 000 employees, but H&M's effort may not be recognized by all the employees. Since they are on many

markets, their employees are probably not a homogeneous group with the same approach to work.

The culture in some of the countries, H&M has stores, may not think the H&M approach to generate motivation, is the right one. In some countries they have a more authoritarian approach to motivate and it can be difficult to change people's culture. Since motivation probably is more individual, than Maslow's theory takes into consideration, H&M has to make sure that all the employees accept H&M's way of creating motivation. The self involvement motivational strategy can create future problems for H&M, if the motivational approaches lead by the management, not match with the employees. Since companies only have this world as the frame they can act within, they have to adapt to what motivates their employees and customers.

Since the assignment did not allow contacting the company, only secondary sources has been used. A contact to the H&M via qualitative or quantitative survey could determine if the effort H&M is doing, is paying off. As far as how the H&M is structured within the organization, it is stated in the analysis, that H&M has a mechanical design, using the metaphor. The strength to build an organization and have this metaphor in the doing, is that the organization is more in control. But with the large focus on motivation of the employees during H&M's different initiatives, it could maybe be good to move into a more organic structure.

6. 1 Conclusion

The assignment gives the opportunity to get know more about H&M goals, motivation and needs in addition highlighted different theories to investigate

how is the company operating and focusing to fulfil the organizational goals. In the assignment the H&M's organisational behaviour fulfils the term of basic needs according to Maslow's theory. In addition to H&M's CSR pursuits and environmental consciousness enables to reach the higher levels of the pyramid. The Maslow's theory gives answer why self-actualisation, esteem and security, basic needs to fulfil are a part of motivational factors in H&M.

The underlying structure of H&M seems to be built up according to achieve the long term goals of growth, to arrange and run a valuable CSR program and environmental responsibility. In accordance with the organizational theories the company seems to be able to maintain the basic needs as well as a higher level of personal motivation in the long run. In our study, we found there is still a lot of space found to be enhanced on H&M Corporate Social Responsibility. H&M started on focus their CSR and they have to continue further on, in order to behave as a responsible company. H&M should take a consideration to reduce harmful chemical emissions.

Furthermore motivates the customers to buy the organic products rather than contaminate the environment. There has been some criticism against of H&M's environmental program. The company should improve the efforts in this area. Review of the organisational level should be considered.