

# The need to motivate employees in small companies



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- Recommendations

This assignment is based on a little company called OBC which is the abbreviations for its name. The name is non used since it ' s a existent state of affairs and bing company and I have been asked by the employees who gave me interviews and information to keep confidentiality and non to give the name of the company hence it will be merely called OBC. OBC has been in concern for the last six old ages. OBC is in the concern of providing a broad scope of beauty merchandises, cosmetics, skin attention merchandises, hair attention merchandises and beauty attention equipment used in beauty and Barber barrooms. OBC markets its merchandises in Muscat, Sohar, Nizwa and other locations. They besides imports sells and installs sweat rooms and steam bath equipment for families. In the first three old ages the company was extremely successful with first-class gross revenues gross and profitableness and so the gross revenues started worsening seemingly harmonizing to the gross revenues director due to increase in competition. In the first three old ages from 2004-2007 OBC norm gross revenues per month was approximately 14, 000 Omani Rials with a gross revenues staff of three dwelling of one gross revenues directors and two gross revenues representatives who work outdoors in the field. Today they have a gross revenues director, a trade name director, two gross revenues and executives and one counter helper in their salesroom in Al Khoud. The monthly gross revenues have diminution to 3- 4 1000 rials a month harmonizing to the Accountant of OBC and in the peak months of the

two Eids the gross revenues peaked to 7000 tracks with 60 % of this gross coming from the Showroom gross revenues.

In August 2010 the company was appointed as Agents for Philip Martin ' s cosmetics of Italy and it is yet to be seen how the company performs with this trade name scope. With this trade name a trade name director has been appointed with the high wage gross revenues of 800 Omani Rial, she is yet to turn out herself in place OBC along with this merchandise in Oman. The company does n't publicize in the media nor does it set about promotion and public dealings activity. Though it has participated in two exhibitions. It does n't transport out any promotional activities.

### **Footings of Mention**

The decrease in gross revenues has lead to a batch of force per unit area being exerted on the gross revenues squad by the proprietor, pull offing manager of the company who ' s full clip occupation is in the air power industry visits the salesroom and gross revenues office in the eventide to supervise and command the activities of the company.

In the last three old ages the pull offing manager decided to apologize the wage construction based on public presentation and made two wage decreases from the gross revenues squad well cut downing the base wage. However included inducements on gross revenues based on preset gross revenues of sale gross achieve get downing from 3000 Rials. This created dissatisfaction among gross revenues squad. Although the inducements are attractive non of the gross revenues forces has performed since so.

Second invariably the gross revenues squad members are pressurized to better their public presentation and endanger with expiration. Third the gross revenues teams disbursements are circumstantially scrutinized and payments are delayed.

## **2. 1 Other Issues**

It seems that the gross revenues director and his squad may not hold the right accomplishments and expertness in gross revenues direction processes. The company does not transport out any publicities, publicizing runs and other selling activity. Hence it can be assumed that the forces are either non skilled or due to internal grounds they cannot set about these activities. This will be reviewed through the procedure of interviews subsequently in the research.

## **2. 2 CEO and Challenges**

The pull offing manager himself is non knowing in gross revenues and selling direction, fiscal systems & A ; processes and deficiencies knowledge in human resources maps. Further he neither provided the way as a leader or knows how to actuate his squad.

The deficiency of understanding in managing and taking the full squad working in OBC is one of the major concerns of the staff. The Accountant in OBC is a portion of the senior direction squad studies straight to pull offing manager he excessively is de-motivated merely because the CEO does not do determinations that encourage or direct the company. Further the comptroller is of the position that the deficiency of systems in HRM, Financial direction, strategic way, selling, leading are the ground for the diminution in

the public presentation of the company. Further aggravated by indecisiveness by the pull offing manager. The comptroller is besides of the position that the pull offing manager does n't let the comptroller, gross revenues director and trade name director to utilize their enterprise to accomplish company ends and aim.

### **Exploration and Investigation of the Problem- The Implication and Effects of Behaviour.**

What are the effect of the jobs of indecisiveness. The effects of indecisiveness is that the company is non turning because the people in the organisation are non allowed to do determinations to travel in the right way. The Chief executive officer himself is non doing the determinations or detain them and do n't let employees to make the right things to heighten the profitableness and growing of the company. As such the gross revenues director, the trade name director and comptroller are experiencing defeated, de motivated and are do n't hold occupation satisfaction.

Assuming that these employee have the accomplishments and ability to heighten the profitableness and growing of the company and they are non given the duty and authorization to move so it makes them experience unimportant and non wanted. An unknown writer one said people do n't go forth companies they merely leave other people ( directors ) . This is doing considerable occupation dissatisfaction among the nucleus squad of employees in the company.

These unpin the fact that the company does n't hold proper systems and processs for effectual direction of human resources. It does n't even hold

proper systems and procedures in other functional activities thwarting employee farther for case the stock list direction system is crude hence the stock list motion can non be managed on the footing of fast traveling stocks, excess stocks, slow traveling stocks. In fact the influx and escape of stock list is non decently managed therefore the profitableness can non be measured efficaciously the attempts to develop in house a information direction system has failed because the CEO insist on utilizing a system that has no licence therefore the seller is non back uping the company by manner of preparation and installing of the system. The comptroller is blamed for this, the finance section is short-handed and the comptroller has to make the stock list direction, gross revenues invoicing, exchequer map. general accounting. When the comptroller does n't make all of this he is blamed by the CEO his exact words are " you are the highest paid comptroller in Oman and you are non making your occupation. The comptroller has been asked to vacate if he can non execute. This has made the comptroller de motivated and stressed out he wants to discontinue his occupation. The comptrollers position on the reverse is that he needs some people to help him on assorted fiscal activities and that he can non work on package installing and informations entry, stock list direction, besides perform the disposal map in add-on to the exchequer map he performs. In add-on these jobs the chief issue see to be deficiency of focal point and way of the CEO and his inability to efficaciously pass on with his people. Both of which de motivates the squad of directors and other employee because the CEO actions impact the full organisation.

## **Underpinning Management Knowledge and Issues**

Reviewing the whole procedure from the position of direction is the art of acquiring work done by other people as discussed earlier in this paper. A director should be adept in this procedure of acquiring his staff to work for him ( unknown writer some besides attribute this construct to Mary Parker Follet ) . Which means the director needs to hold several cardinal abilities and accomplishments. They include motivational accomplishments, interpersonal communicating accomplishments, ability to be after efficaciously, leading qualities, an apprehension of basic direction accomplishments, employee engagement & A ; authorization, ability and apprehension of how to actuate and retain people. ( Daft, 2000 ) ( Mullins, 2007 ) ( Huczynski, and Buchanan, 2008 ) Hence effectual direction to take people efficaciously needs a broad assortment of accomplishments and abilities this is what one aspires to derive through a programme of survey in a MBA programme,

### **4. 1 Intrinsic and Extrinsic Motivation**

Employees are motivated cardinal at single degree in two ways that ' s intrinsic and extrinsic motive academic and practicing directors are of the position that intrinsic motive is the best since the individual is motivated internally by herself therefore such people are better performing artists and bask better occupation satisfaction because of their attitude ( Armstrong, 2007 ) While other critics are of position that complex human behavioural factors can non be easy categorized into two wide class of motive and Reiss is of the sentiment that persons differ on what makes them

happy therefore of the position that its non right to do value judgements as to what motivates people ( Reiss, 2004 ) .

Extrinsic motive on the other hand is external factors that motivate people such as wages, inducements and these can be short lived or fleeting hence an individual may not be motivated to make something which he does not wish to make. Here once more it should be understood that money or inducements and position entirely can not actuate people as in Hygiene factors of the two factor theory of Herzberg ( Daft, 2000 ) and ( Mullin, 2007 )

Hence what motivates people is hard to understand factors that motivates a person may not actuate another hence the director ' s occupation becomes even more ambitious retrieve the upper limit you can take the Equus caballus to the H<sub>2</sub>O but you can not do it imbibe " The director in OBC should understand how different people working under him are motivated therefore the benefit of the thought of intrinsic and extrinsic constructs is that some wide position of how persons working for a director will be motivated can be review from this model possibly one should reexamine motive of subsidiaries with the intrinsic / extrinsic frame work along with the thought of hygiene factors and incentives based on the two factor theory espoused by Frederick Herzberg. The position that Hygiene factors include position, wage, benefits and occupation security the being of these factors does not take to dissatisfaction or satisfaction. ( ( Mullins, 2007 ) The senior employee in OBC have a position because of the occupation rubrics such as Gross sales director, Accountant, Brand directors they are paid wages and bank benefits such as company maintained autos, paid nomadic measures, lodging and medical benefits therefore the hygiene factors are taken

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attention of by the organisation systems and procedures in OBC but extrinsic elements such as inducements, benefits exist position excessively can be included here in

## **4. 2 Organizational Vision and Motivation**

Another position of developing compelling motive among employees is based on organisational Vision and leading. The leader has the most of import driver of such motive through putting Vision and ends that encourage employees to travel towards the coveted ends. What is of import is to develop motivational programmes that will promote and recognise the desire behaviour needed to accomplish organisational vision say Robert Chapman the CEO of Barry Wehmiller Group. Chapman farther goes on to state that success of motive programmes will get down with strong leading the CEO must hold clear position of the vision Importantly able to place critical success factors of the concern that impact the vision and have a deep committedness and desire that CEO can and will be able to actuate the behaviour of persons to accomplish such ends ( Chapman, 2008 )

Therefore it ' s the leaderships challenge to make a concern with a strong vision and to direct the organisations vision through motive. The CEO so is cardinal to planing a feasible concern theoretical account that can win. The leaders should understand that people want to be portion of a successful organisation they are looking for existent significance ; " to be engaged in a vision that they can be proud of " ( Chapman, 2008 )

Interesting Richter, ( 2010 ) a public presentation direction adviser who has worked with fortune 500 companies suggest that leaders can utilize vision

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through intrinsic motive to drive squads towards organisational ends. The construct of strategic leading vision and ends to actuate people are ideas espoused by legion academic varying from strategic direction subject, direction, leading and psychological science. In fact military leaders portion similar ideas on motive of subsidiaries that subsidiaries can be motivated with clear intent of Vision and Mission that leaders with lucidity of idea and way can actuate big figure of people to move ( Einstein & A ; Humphreys, 2001 )

### **4. 3 Intrinsic Motivation -16 basic Desire Theory**

Based on the research of 6000 people in the USA Prof Steven Reiss proposes a theory in which he suggest that human have 16 basic desires they are ;

1. Credence, the demand for blessing
2. Curiosity, the demand to larn
3. Eating, the demand for nutrient
4. Family, the demand to raise kids
5. Honor, the demand to be loyal to the traditional values of one ' s clan/ethnic group
6. Idealism, the demand for societal justness
7. Independence, the demand for individualism
8. Order, the demand for organized, stable, predictable environments

9. Physical activity, the demand for exercising
10. Power, the demand for influence of will
11. Love affair, the demand for sex
12. Salvaging, the demand to roll up
13. Social contact, the demand for friends ( peer relationships )
14. Status, the demand for societal standing/importance
15. Tranquility, the demand to be safe
16. Vengeance, the demand to strike back/to win

( Adopted from Steven Reiss, ( 2004 ) Multifaceted nature of a^! )

This theoretical account is based on the position that people desires immensely differ, the 16 esires represent intrinsic desires that motivates people ' s behaviour straight and assumes they are non aimed at indirectly fulfilling other desires. Peoples are motivated by higher degrees of desires. However Prof Reiss is of the position that they do n't related to deep motive but act as a mode to accomplish the other basic desires ( Reiss, 2004 )

The construct thought can be criticised on the footing that its slightly kindred to the thoughts of basic demands espoused by Abraham Maslow and his school of though that followed and expanded on hierarchy of Needs to the ERG theory since the 16 desires reviews basic desires. Hence senior directors could likely utilize this theoretical account to reexamine its wagess

and awards in footings of salary allowance and benefits portion of the hygiene factors although money is non considered the most of import incentive ( Daft, 2004 ) a individual needs a life pay.

Underpinning direction cognition and issues

While all these accomplishments are critical in efficaciously prima and pull offing people some accomplishments can be considered more of import and relavent for case the ability to pass on efficaciously and actuate people if these two elements are in topographic point much of the jobs in OBC can be avoided and it can be solve through the natural procedure of organisational development. However covering with people requires ability to efficaciously pass on and actuate persons and squads within the company.

Effective communicating is non taking topographic point in OBC hence there is struggles, miss apprehension, and aims are non being met. This should be the first thing to be resolved to better the public presentation of people and better their motive degrees.

## **Analysis of Questionnaire and Findings**

Using a inquiry to interview the managerial staff of the company the research worker found the following elaborate positions on several issues refering to the company.

### **OBC employee interview Questionnaire internal usage merely for usage with direction staff**

Are you satisfied with your salary graduated table?

Are satisfied with the Allowances and benefits?

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Is at that place good internal relationship between the employees?

Is the relationship with the direction good? if non what are the causes?

Is there transparence in communicating in the company?

Does the company have proper systems in HRM, Finance, Marketing and information system?

## **Senior Management**

Does your director pass on efficaciously with you?

Does your director give proper instructions?

Does your director involve you in the planning and public presentation direction processes?

Does he /She inspire and motivation you?

What factors motivate you?

The analysis and findings from the interview questionnaires are compiled below six employee were interviewed of that one employee was a female in the group of Six. They were all directors and executives. A sum-up of the findings is given below. The responses were every bit divided in that 50 % were netural and 50 % of the employees were negative of the company and its direction

In the procedure of interviews the research worker was able to acquire really friendly with the comptroller and his sentiment was that all employees would

go forth the company at the first available chance including the gross revenues, trade name directors and others. Some are merely hanging out they are wholly unproductive and he besides reference that the CEO is cognizant of this. The major cause for all the jobs is the CEO inactivity. He neither implements the recommendations or suggestions made nor makes his ain determinations. This reinforces the earlier remarks in this paper

## **5. 1 Wages**

Of the six staff interviewed three people were of the position that the wages that they were paid was in maintaining with their occupations classs these include the Accountant the 2nd highest paid employee, the Brand Manager the highest paid employee and the Gross saless director the 3rd individual with a good wage. Other employees were paid really low wages less that 200 Omani Yemeni rials

## **5. 2 Allowances and Benefits**

The three directors are happy with the allowance and benefits and one employee said he is acquiring company adjustment

However two factor theory of Herzberg clearly indicate that the construct of hygiene factors do non take to satisfaction therefore the wages and benefits will non needfully actuate the employees of the company ( Daft, 2000 ) . On the other manus it may merely back up the basic desires as espoused by the Reiss which may non once more be sufficient for managerial staff of OBC, Alternatively they can merely be motivated by Incentives.

### **5. 3 Relationship among employee**

All employees Agreed that the relationship among themselves are first-class and they enjoy working with their co-workers.

### **5. 4 Relationship with Management**

As research has indicated the relationship with the direction is non good with the squad due to several grounds such as hapless communicating, indecisiveness, holds, hapless planning, non acknowledgment of employees, deficiency of systems in human resource direction, deficiency of systems in finance, selling. Further the directors are non allowed to do determinations and travel frontward. When the directors are non allowed to do determinations and they are non given the duty and authorization they feel unimportant and demotivated,

Further the directors said that the CEO does non hold focal point does n't be after and animate them and does n't hold a vision for the company he is merely interested in the hard currency influx and net incomes merely and does n't look at long term growing and development.

The incentives of the two factor theory of Herzberg seemingly does n't exist to these employee in OBC for case duty, authorization, disputing work, are incentives and these does n't be for these employees.

From the position of strategic leading or transformational leading these employees are non inspired by their leaders or CEO because of deficiency of vision, values and challenges hence they have lost involvement or de motivated. It ' s the occupation of the CEO to animate the employees

through shared values, vision, critical success factors, way ( Chapman, 2008 ) and ( Einstein & A ; Humphreys, 2001 )

## **Decisions**

It ' s the sentiment of the research worker that the motive of employee in OBC is a disputing undertaking at that place seem to be several of import considerations losing get downing with leaderships success of modern organisations dependants on leading ( Huczynski and Buchanan, ) and ( Chapman, 2008 ) . The importance of leading can non be overlooked to supply way to a company and the function of the CEO is of import to set up the way through vision and motive. This is a major concern for OBC and its directors the deficiency of the vision of their CEO is de actualuating the full squad.

Excellent people direction and human resources direction systems is a cardinal requirement for organistional success ( Armstrong, 2007 ) which is missing in OBC. For case the differences in wage graduated tables, allowances, benefits between people of the same degree is a clear indicant that the company does n't hold proper human resource direction systems. Communication is hapless, relationship between the senior direction and employees are missing these are clear indicant that human resources direction systems should better ( Armstrong, 2007 )

Selling, Finance and Information systems non in topographic point is an indicant that the company is likely besides hebdomad in planning, prediction, which means the company is non proactive and is non directed with focal point seems that the cardinal elements of value concatenation are



losing from the position of operations direction. This is besides declarative that systems for public presentation direction, measuring and control does n't be hence in such state of affairss the endurance of a company is hard from a long term position.

Lack of communicating, is a really serious concern communicating is cardinal to coordination, effectual direction of people and resources when communicating fails everything else will neglect in a group or squad. Communication in a organisation should be effectual at every degree directors should guarantee communicating plants efficaciously since it ' s the life blood of organisational success. In short if communicating fails everything fails. One-half of the issues and challenges in OBC are communicating related determinations are non communicated between direction and staff. Ideas are non shared, Instruction manuals are non given efficaciously. This is a major concern and one of the grounds that everyone is non working together possibly besides the ground for deficiency of motive in OBC

The operational directors are of the position that the ground for decrease in gross revenues is the addition in competition. Which means the company should be able to pull off the alterations taking topographic point in the environment. Although a new bureau was acquired the trade name edifice and selling of its merchandises and visibleness in the market is missing. Hence directors should develop the civilization of following to alter addition consciousness build corporate image and trade name image communicate with the external markets these are non go oning

Possibly the organisational civilization in OBC should alter to a can make attitude, supportive of people and the importance of people direction should be the major focal point in the company to better their operational effectivity.

## **Recommendations**

Unfortunately the best recommendation that though can non be implemented is to alter the CEO since the CEO is besides the proprietor of this concern its non recommendation that can be implemented

May be one of the directors should compose a effectual concern program for OBC in that discuss some countries for betterment such as betterments in communicating and planning from along term position so that the Chief executive officer might take it into consideration.

Besides discuss in the program the demand to be effectual in HRM direction patterns including the demand to better taking and direction of people from a position of motive at a persons and squad position this may be the best option available.

Some of the employees excessively needs preparation in planning and determination devising, selling and communicating to heighten the effectivity of the company. Its of import to do recommendations that can be efficaciously implemented and that would decide the jobs in the organisation several other recommendations can be made but they will non add value to the company in any manner hence they are non applicable.