

MANAGEMENT STYLES AND THEIR IMPACT ON EMPLOYEE MOTIVATION AT A SMALL TO MEDIUM SIZED MANUFACTURING BUSINESS WITH PARTICULAR REFERENCE TO FINANCE AND ACCOUNTING PRACTICE IN GENERAL

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Abstract

The purpose of this research is to evaluate management styles and their impact on employee motivation at Izaka, a small to medium sized manufacturing organisation in the province of Kwa-Zulu Natal. The total population of 45 respondents was targeted with a response rate of 100%. A questionnaire was used to gather data from the target participants. This study was significant in that it provided valuable insights into the various management styles and of motivation. The results of the study revealed that in order for the business to be sustainable, the managers must ensure that goals and objectives are developed for the organisation. Managers should also be trained in the current motivation theories which will enable them to assist staff and motivate staff to become successful individuals. Given the conclusions reached in the study, it is obvious that Management Styles positively impacted on employee motivation at Izaka.

Key Words: Management Styles, Impact, Employee Motivation, Medium Sized Business, Manufacturing, Leadership, Accounting, Finance

1. Introduction

This study evaluates management styles and their impact on employee motivation at Izaka, a small to medium sized manufacturing organisation in Kwa-Zulu Natal. Globalisation, technological changes, acts of misconduct and unethical behavior has dramatically changed perceptions of management, specifically with regard to the respective roles played by the manager and the subordinate.

2. Background to the Study

New challenges are now being faced by Izaka, its competitors and most if not all organisations globally. Trends in information technology and the pace of globalisation have created new challenges for managers. While the workforce is becoming more diverse, organisations tend to experience difficulty in managing this diversity (Human, 2001). Keeping a diverse workforce motivated adds to the challenges faced by managers which would include inter alia, segregation of duties, working capital management, lack of integrity and unethical behavior.

3. Problem Statement

The development of business requires effective management practices and different approaches to management in order to ensure the success of the organisation through the motivation of employees. Management is a discipline, a practice and a process which involves working with and through people. Managers ensure that an organisation achieves its goals through performing four critical management functions: planning, organizing, leading and controlling (Jones, George and Hill, 2000). According to Robbins (2005), motivation is the process that accounts for an individual's intensity, direction and persistence of effort towards attaining a goal. Employees are motivated by various factors at any given point in time. Identifying the applicable factors is important to managers and an integral part of the success of the organisation.

4. Aim of the Study

The aim of the study is to investigate the impact of management styles on employee motivation at Izaka, a manufacturing organisation in Kwa-Zulu Natal.

5. Objectives of the Study

The objectives are:

- To investigate the various management styles that exist at Izaka;
- To determine the impact of management styles on employee motivation; and
- To make recommendations on the appropriate management style suitable to Izaka.

6. Brief Literature Review

Jones, George and Hill (2001:5) define management as "...the planning, organizing, leading and controlling of resources to achieve organisational goals effectively and efficiently." Cook and Hunsaker (2001:5) identify management to be a practice which involves "...directing, organizing, and developing people, technology, and financial resources to provide products and services through organisational systems." Kreitner and Kinicki (2001:6) define management as "... a process of working with and through others to achieve organisational objectives efficiently and ethically." Drucker (1989:14) argues that "...management is tasks. Management is a discipline. But management is also people. Every achievement of management is the achievement of a manager. Every failure is a failure of a manager." Autocratic leaders take decisions without consulting their subordinates, are very directive and allow no participation. The leader usually oversees work from close quarters and exercises full control over subordinates. This style of leadership is appropriate only when decisions genuinely need to be taken quickly and when there is no need for input from the team (Rao and Krishna, 2006:641).

Rao and Krishna, (2006:642) suggest that employee participation in decisions may not always increase effectiveness but it may increase job satisfaction. Democratic leaders encourage subordinates to participate in the decision making process (Rao and Krishna, 2006:642). According to Koontz and Weihrich (2010:314) the following features describe democratic or participative leaders: involve people in decision making and goal setting; attitudes, feelings, suggestions of members are considered while making decisions; freedom of thinking and action is available to a reasonable extent; two way, open communication between members; and the opportunity to use one's potential in the service of the organisation exists. Rao and Krishna (2006:643) state that laissez faire leaders turn an entire problem or project to subordinates. In this type of leadership complete freedom is given to the group in such a way that they allow people within the team to take most of the decisions. Koontz and Weihrich (2010:314) agree with Rao and Krishna (2006) that the

Laissez Faire leader uses his or her power very little, and allows people within the team to make decisions. Such leaders depend largely on subordinates to set their own goals and the means of achieving them. In a family owned business the ultimate aim is to make a profit and this type of leadership style may not work to its fullest. According to Koontz and Weihrich, (2010:314) “characteristics of laissez faire management style include group members set goals and decide things on their own; the leader is a passive observer of things; the leader does not decide, does not control or exercise influence over the group; the leader abdicates responsibility; members operate in an unrestricted environment; and communication is open and can take any direction.” Various definitions of motivation exist. These include “psychological forces that determine the direction of a person’s behavior in an organisation, level of effort, and level of determination” (Jones et al., 2000: 427), “a conscious decision to perform one or more activities with greater effort than other competing activities” (Cook and Hunsaker, 2001: 199), “psychological processes that arouse and direct goal-directed behavior” (Kreitner and Kinicki, 2001: 205), “the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal” (Robbins, 2001: 155). Common to all the above definitions is that motivation is a force that stimulates and directs behaviour which is meaningful to the individual. According to Robbins, 1999:152, Maslow states that people do things to fulfill needs and there are five needs in particular that all humans strive to satisfy. These are represented in a pyramid form. The bottom of the pyramid represents the most basic needs, and as one then moves up, a higher need is represented. Once a need at a lower level is fulfilled, only then does the individual move up to the next need. Once a need is satisfied, it no longer serves to motivate the person in any way.

7. Research Methodology

This study used a quantitative research technique to gather appropriate quantifiable data to answer the research questions. A forced-choice survey questionnaire was handed to respondents to complete for this study. The quantitative method allowed the study to ask all participants identical questions which allowed for meaningful comparison of responses from all participants. The rationale behind the use of a survey questionnaire was that it is an inexpensive way to gather data from the respondents of the organisation under study.

8. Research Findings

It was found that 38% of the employees are between the ages of 30 to 39. A very slightly less 35% fall into the 20 to 29 years age group, 30% of the employees have a diploma as their highest level of qualification, 25% have matric only, 20% have an undergraduate degree, 10% have not passed matric and only 5% have a postgraduate degree. A significant amount of 70 % is employed at the organisation between 1-5 years. A vast majority of 73% agreed that managers work with employees to solve problems. Majority of the employees that is 55% of the participants agreed that they feel a sense of satisfaction on completion of difficult tasks. Thirty eight percent of the participants disagreed that money is their only source of motivation while 23% strongly disagreed with this statement. Fifteen percent of the participants were not sure and an equal amount of only 13% of the employees either agreed or strongly agreed that money is their only source of motivation.

Figure 8.1: Managers work with employees to solve problems.

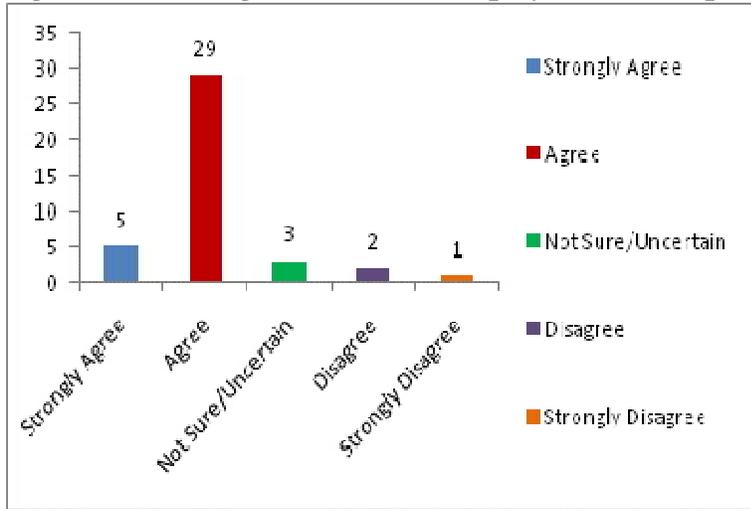


Figure 8.1 reflects that a vast majority of respondents (73%) agreed that managers work with employees to solve problems. Only 1 (0.25%) employee strongly disagreed with the statement.

Figure 8.2: I feel satisfied when I complete difficult tasks.

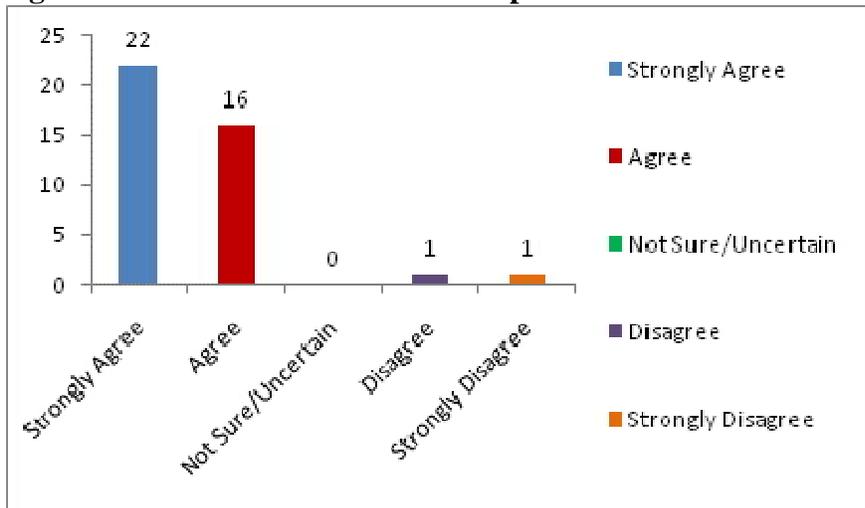


Figure 8.2 reveals that majority of the employees, that is 55% of the participants agreed that they feel a sense of satisfaction on completion of difficult tasks while 40% agreed with this statement. An equal amount of 1 (0.25%) employee each either disagreed or strongly disagreed.

Figure 8.3: Money is my only source of motivation.

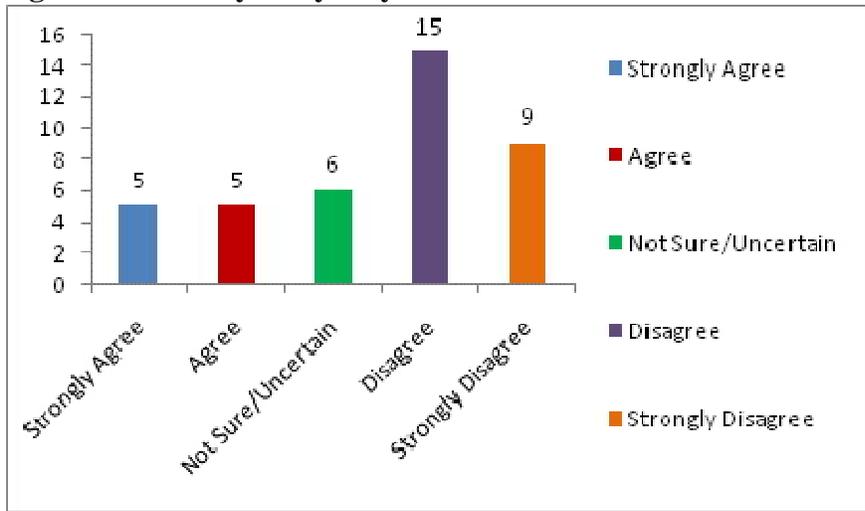


Figure 8.3 reveals that 38% of the participants disagreed that money is their only source of motivation while 23% strongly disagreed with this statement. Fifteen percent of the participants were not sure and an equal amount of 13% of the employees either agreed or strongly agreed. Majority of the respondents argued that money is not their only source of motivation. This means that in order to motivate the staff at Izaka, management should consider other means such as the various management styles.

9. Recommendations

In order for the business to be sustainable, the managers must ensure that goals and objectives are developed for the organisation. Monthly meetings should be held to determine if these goals and objectives are being met. The onus is on management to ensure that the meetings are set to discuss the goals and objectives of the organisation.

10. Conclusion

Management is one of the most important contributors to overall organisational success. Thus, the quality of an organisation's management determines the quality of the organisation itself. Good managers produce important, positive change by providing vision, aligning people's efforts with the organisation's direction, and keeping people focused on the mission and vision by motivating and inspiring them. Good management, like good leadership, helps an organisation to succeed. In general, managers have a powerful source of influence on employees' work behaviors therefore the manager should set the tone for his or her staff through his or her own visible behaviour. Although the paper did not pursue the issues of finance and accounting practice to any appreciable degree, within the ambit of the arguments and discussion within the paper, it is recorded that these issues are of cardinal importance to proper and acceptable financial and accounting practice within businesses in general and more importantly to both the private and public sectors.

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