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SITUATIONAL LEADERSHIP

**How to effectively lead and motivate employees
through each development stage**

Thesis

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ABSTRACT

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<p>This thesis was written on the subjects of Situational Leadership and Motivation. The first objective of the thesis was to give a clear theoretical overview of Hersey's and Blanchard's theory on Situational Leadership, Herzberg's theory on Motivation and Maslow's Hierarchy of Needs. The second objective was to examine the Situational Leadership theory and Maslow's Hierarchy of needs closer in order to be able to demonstrate with the help of those two theories how to efficiently lead and motivate a company's personnel in a way that equally benefits the company and the company's employees. The third objective of the thesis was to apply the theory to three companies from different industries by using case studies in order to detect possible industry-specific differences in leadership styles. As case study companies, the writer selected H&M from the fashion industry, Google from the technology industry and Hilton Worldwide from the hospitality industry. The company-specific information used for the case studies was taken from the companies' websites and from documents and reports published by the companies. This thesis is purely based on desk research, analysis of different theoretical models and analysis of content published by the case study companies. The results and conclusions of the thesis are that leadership skills can be learned, good leadership leads to happy employees which in the long run leads to a company's success, and that applying the Situational Leadership model is beneficial for every company, but in order to be able to apply that model as well as motivational techniques correctly, leaders must get to know their subordinates and make themselves a part of their teams.</p>		

<p>Key words Case studies, coaching, delegating, development, directing, employee, Google, H&M, Herzberg, Hilton Worldwide, leader, leadership, Maslow, motivation, Situational Leadership</p>

FOREWORD

This thesis is the result of three and a half years of studying at the Centria University of Applied Sciences in Kokkola, Finland, including one exchange year at the University of Greenwich in the United Kingdom. My time at the university and in Finland has been challenging, professionally as well as personally, but looking back I can honestly say that the hard work was worth it. Now I am sad to be closing a chapter of my life, but at the same time looking forward to the future and to opening a new chapter.

As rewarding as they were, I would not have made it through the last few years without my family and friends. Therefore, I would like to thank my parents who have always supported me and who have played a huge role in making those last three and a half years possible, my sister who has always been able to take my mind off problems by making fun of every situation and my friends who truly have made my time here worthwhile.

I would also like to thank the entire faculty of the Centria University for their inexhaustible patience and their willingness to help with any kind of problems. Special thanks go to Eija Torkinlampi and Janne Peltoniemi who have been my tutors during my time at Centria, Helena Eijsberg who has done a lot of work to make the exchange year in England possible and Birgitta Niemi who has been my thesis supervisor.

ABSTRACT

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1 INTRODUCTION

There are many different types of companies and businesses all over the world: companies of different sizes belonging to different industries, selling different products and services and serving different markets and customers. All those different companies have different features and work in different ways, but they have one thing in common: They all need efficient leadership in order to be continuously successful in today's fast-paced business world. With online businesses becoming more and more popular due to technology progressing quickly and globalisation becoming more and more of an issue, companies have to face competition from all over the world. That makes good leadership more important than ever, as it is a crucial component of every company's success. Company leadership has two main parts: making decisions concerning the company and the company's future and leading the company's personnel. This thesis will be focused on the second part: leading a company's staff in a way that equally contributes to driving the company's success and keeps the company's employees happy and motivated.

When people are led in an inappropriate way, they get frustrated and their motivation, enthusiasm and commitment to their tasks and the company itself decrease significantly. They will still complete their tasks and do what is expected of them, but if they are frustrated by their leader, they will not do any extra work, put in any extra effort or come up with new ideas. It is also likely that an employee who is unsatisfied with the way he is led will project those feelings of frustration and dissatisfaction onto his work and the company itself, which has a definite impact on his commitment and loyalty to the company.

As a result of that, the company cannot utilise its employees' full potential, so the company's actual performance is way lower than it could be if its employees were willing to actively contribute to the improvement of the daily work routines.

Considering that, it can be said that good leadership significantly increases the company's performance level. That again makes leadership a crucial part of business management that deserves to be recognised as an own science.

When first starting to study leadership, researchers associated it with leaders' personality traits, linking the effectiveness of their leadership directly to the leader's personality. They saw leadership as something that could not be learned but could only be done well by people who possessed certain character traits and qualities. As the research on leadership developed, other theories started to take shape. Researchers started to see it as a process or as an interaction between the leader and their followers. One of those more recent theories is the situational approach to leadership which will be discussed in the first part of this thesis.

The second part of the thesis will focus on motivation. Being able to use the right motivational techniques with the right employees in the right situations is an important leadership skill, as motivated employees are the most important asset of every company. They give their best at work, create a positive atmosphere and contribute to giving a positive image of the company to the outside world. To give a good overview of the topic of motivation, two different theories on motivation will first be analysed and then be compared. Then, the thesis will look at factors that employees are motivated by and motivational tools that leaders can use to motivate their employees. After that, there will be a discussion on how differences in personality influence what people are motivated by. Then, the theories on motivation will be linked to the concept of Situational Leadership, and finally there will be a short paragraph on how cultural differences between employees can cause differences in preference for motivational factors.

In the third part of the thesis, the leadership and motivation practices of different companies will be examined by using case studies. Therefore, three successful multinational companies have been selected as case studies. The case study

companies are H&M, Google and Hilton Worldwide. After the case studies, there will be a final conclusion.

1.1 Aim of the thesis

The thesis focuses on Situational Leadership and motivational techniques and their usage in different types of companies. The aim of the thesis is to give a clear theoretical overview of the Situational Approach to leadership and motivation. Then the thesis is going to point out how efficient leadership and well applied motivational techniques can improve a company's overall performance. In the last part of the thesis, the theory discussed in the previous chapters will be applied using three different companies as case studies. This paper is aiming to be helpful to leaders wanting to improve their leadership and motivational skills in order to have more satisfied employees and improve the company's overall performance. In addition to that, examining and explaining the Situational Leadership theory will point out that leadership skills can be learned.

1.2 Research methodology

The information used for this thesis was acquired through desk research. The sources are books and websites, and most of the information was acquired through internet research. The company-specific information used in the case studies was taken from the companies' websites.

2 LEADERSHIP

This chapter is going to give a quick overview of leadership in general, starting with different definitions of leadership. Then, it will shortly explain the different views and theories on leadership and why this thesis focuses on the Situational Approach. Leadership can be defined in many different ways. It can be seen as a process, as an activity, a function or a skill. Below are the definitions that are most suitable for the thesis topic.

“...leadership is a complex phenomenon that touches on many other important organizational, social and personal processes. It depends on a process of influence, whereby people are inspired to work towards group goals, not through coercion, but through personal motivation.” (Bolden, 2004, 5)

“The process of influencing people by providing purpose, direction, and motivation, while operating to accomplish the mission and improve the organization.” (FM 6-22, 2006, Glossary-3)

“Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.” (Northouse, 2010, 3)

“Leadership is the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives.” (Yukl, 2010, 8)

“Leadership is viewed as a process that includes influencing the task objectives and strategies of a group or organization, influencing people in the organization to

implement the strategies and achieve the objectives, influencing group maintenance and identification, and influencing the culture of the organization.” (Yukl & Van Fleet, 1990, 149)

All the above definitions focus on leadership being a process with the aim to influence a group of people towards reaching a common goal. That view is the most suitable when looking at company leaders, as they constantly have to influence and motivate their employees towards reaching the goals they set for the company. The definition of leadership that was created for this thesis is: Leadership is an ongoing and constantly adapting process of assisting subordinates in completing their tasks aiming for the best possible result. The aim of leadership is to help one's subordinates to gain skills and knowledge, help them to recognise their potential and motivate them to utilise it. Good leadership requires two-way communication between leader and followers.

2.1 The Situational Approach

The Situational Approach to leadership was developed by Hersey and Blanchard in 1969. The basic approach of the situational theory is that different situations require different kinds of leadership in order to get the best possible results. According to the Situational Leadership Approach, a person has to be able to recognise different situations and the specific leadership style they require and then be able to adapt their leadership style according to the situations in order to be a good leader.

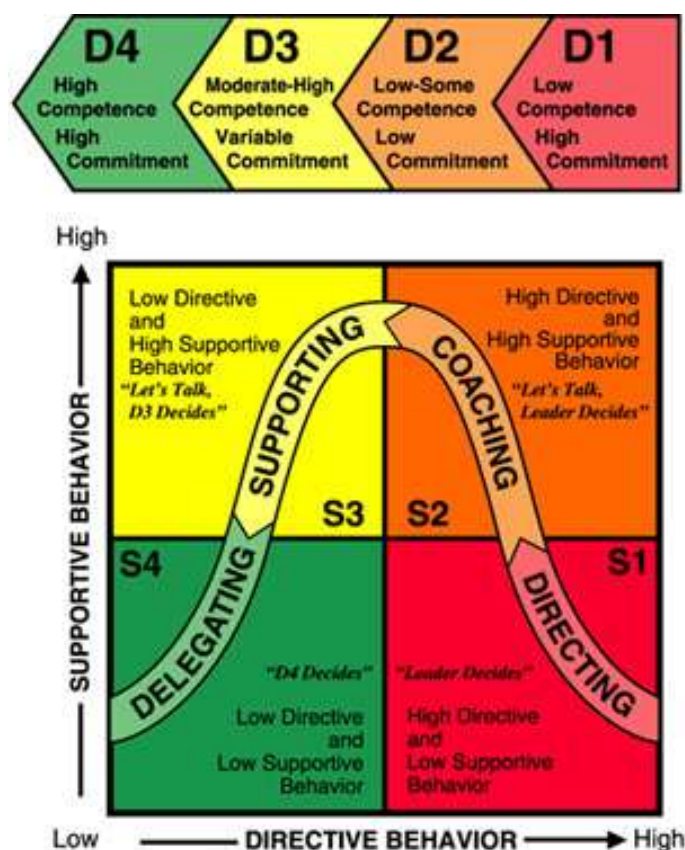
In this approach to leadership, the different situations are defined by the development level of the employees who are to be led. While that concept sounds simple in theory, it is a little more complicated in practise. In practise, a leader has to define his employees' skills and competences not only in general, but also in relation to the task at hand in order to be able to choose the right leadership style

for each particular situation. For example employees who are very competent and experienced when it comes to doing their usual work might miss experience and skills when faced with a new task and can therefore not be classified as competent in relation to that particular new task.

The different leadership styles in the situational leadership approach are defined by their degree of directive and supportive behaviour. Supportive behaviour includes two-way communication, listening, explaining decisions, providing support, encouragement and praise and involving the follower in decision making and problem solving. Directive behaviour is characterised by one way communication from the leader to the follower, close supervision, lots of feedback on performance and clear instructions of the tasks including what to do, and when, where, and how to do it.

The big advantage of Situational Leadership is that when applying it, a leader has to know different leadership styles. So unlike a leader who specialises in only one leadership style and has to pick people who are suitable to be led in his style when recruiting, a leader who practises Situational Leadership has the ability to adjust his leadership style according to what is suitable for different people in different situations. That means that a leader who practises Situational Leadership has a bigger choice of candidates and can focus on potential employees' skills and knowledge rather than their compatibility with his leadership style. This again is a considerable advantage for that leader's company, because having the bigger choice of potential employees means having a better possibility of finding the people who possess the skills that the company is missing, and finding those people plays an important role in driving the company's success.

Graph 1 below explains the situational leadership approach:



GRAPH 1. The Situational Leadership Theory

According to Blanchard and Hersey, leadership is composed of two dimensions: a directive and a supportive dimension. In order to get the best result, an appropriate amount of both dimensions has to be applied. The extent to which each dimension, supportive and directive, should be applied depends on the development level, meaning the competence and commitment of the employee(s) in question. In this context, competence is defined by an employee's professional skills and experience in relation to the task at hand, and commitment is defined by their motivation and dedication to their tasks and the company.

As the competence and commitment of employees change over time while they develop, leaders have to constantly adjust the degree to which they are directive or supportive to meet the need of their subordinates and achieve the best possible

outcome. That leads to the conclusion that in order to apply the theory correctly, leaders have to be able to correctly determine the competence and commitment levels of their employees. To make that easier, the situational leadership model divides employees in four categories according to their competence and commitment levels. Those categories are named D1, D2, D3 and D4.

The situational approach to leadership describes the process of a person with no industry-specific competence or experience developing and transforming into a highly skilled and competent employee over time. Therefore, this particular leadership theory is most appropriate for use in situations where a company employs new people with no previous work-experience in the company's industry. It can also be partly applied to situations where a skilled and competent person takes on new tasks or comes to a new company, considering that it always takes time to get used to new environments and responsibilities, but when looking at a person who already possesses the skills, competence and experience to be placed in a higher development stage, this person's development in the new environment tends to be much quicker and much less intense.

2.2 Development levels of employees

From the moment a person starts working for a company he also starts to evolve and to develop. The main areas that change, evolve and develop throughout a person's career at a company are: professional knowledge, skills and competence, commitment to the job and the company and motivation. That development process can be grouped into four different stages.

As employees who are the most developed; meaning employees who possess the highest competence and commitment; are the most valuable employees for a company, it is a leader's aim to help his staff gain as much competence as

possible and to keep their commitment at a high level in order to have them move up to the highest possible development stage.

2.2.1 Development stage D1

Employees in the D1 category have low competence and high commitment. They are usually newly employed and do not yet know much about the company and their tasks and responsibilities. They also lack experience. However, considering that they just landed a job and want to prove themselves and that everything is new and exciting to them, they are usually highly motivated and enthusiastic. The most important thing when dealing with people going through the development stage D1 is to help them increase their competence and skills. That gives them the tools to channel their motivation and energy into the company's work.

2.2.2 Development stage D2

Employees in the D2 category have some competence and low commitment. They have been working for the company for some time and have gained some competence and experience, but they are still lacking a considerable amount of skills. Also, they usually have not experienced much success at their job yet, nor gained much recognition or moved up in the company. Unlike people in the development stage D1 who tend to be very enthusiastic, people who are going through the development stage D2 can be rather insecure, as the enthusiasm and the motivation from the beginning are slowly wearing off and they still have trouble completing their tasks correctly. That is why their motivation and commitment tend to be rather low. Their insecurity, lack of competence and loss of motivation can lead to feelings of frustration and dissatisfaction if not dealt with correctly. What a leader should do when dealing with employees in the development stage D2 is to

help them improve their skills and gain experience while actively motivating them. D2 is the most undesirable development stage from a leader's perspective, as employees in that stage are neither motivated nor skilled. That is why leaders should aim at making the duration of that development stage as short as possible.

2.2.3 Development stage D3

Employees in the D3 category have moderate-high competence and variable commitment. They have been doing their job for a while and have gained some skills and experience, so they are already quite good at what they do. Their commitment and motivation however are still variable, switching between high and low depending on their success and sense of achievement. When dealing with employees in this stage it is important to give them mental support and make them feel appreciated in order to keep their commitment on a stable, high level and transform them into D4 employees.

2.2.4 Development stage D4

Employees in the D4 category have high competence and high commitment. They have been working for the company for a long time and are very skilled at what they do. They are an important part of the company and they know it. As they have experienced a lot of success and gained recognition during their time at the company, their motivation and commitment to their tasks are very high. When dealing with people belonging into the D4 category it is important to know the level of guidance they require, which tends to be very low. When they are directed and supervised too much, they might feel patronised and might start to doubt the leader's trust in them and their capabilities which again might lead to a feeling of

insecurity and to a decrease in motivation. Being the category with the highest competence and commitment levels, D4 is the category that a leader wants as many subordinates as possible to be in. For a leader, having many highly skilled and motivated employees who can be trusted equals certainty that the employees' tasks are completed well and in time. That certainty gives a leader the time and the freedom to look at the bigger picture and make plans and decisions concerning for example company strategy or the company's future.

2.3 The different leadership styles

In this chapter, there will be a detailed description of each of the four leadership styles used in the situational leadership model, starting with a definition. But first, there will be taken a look at what all the four leadership styles have in common. Each of the below described leadership styles involves the leader setting goals, observing their subordinates' performance and providing feedback, and in all four of them the leader remains accountable for the achievement of the task. The difference of the leadership styles lies in the degree to which the leader engages in these behaviours, as well as the degree to which each leadership style is supportive and directive.

2.3.1 Directing

The definition of directing as a leadership style is: "Directive leadership is characterized by setting clear objectives and rules for your subordinates and ensuring that your expectations and directions are clearly defined and understood by your subordinates. Directive leadership may be advisable when subordinates are unskilled or inexperienced at a complex task." (Grimsley, 2014)

As can be seen in Graph 1, directive leadership consists of high directive and low supportive behaviour. A leader who directs gives very clear and detailed instructions for a task and keeps giving instructions and supervising the subordinate's progress throughout the working process. While, as the name of the leadership style already gives away, directive behaviour is the main component of the directive leadership style, supportive behaviour is not as important when looking at directing. As a result of that, the directive leadership style is most suitable when a subordinate has a lot of energy and is very enthusiastic, so that supportive behaviour from the leader is not necessary. As the directive behaviour is very high, subordinates who should be directed are the ones who lack skills, competence and experience.

2.3.2 Coaching

Below are two different definitions of coaching:

“Coaching means unlocking a person's potential to maximize their own performance. It is helping them to learn rather than teaching them.” (Whitmore 2003)

“Coaching is a collaborative, solution focused, result-orientated and systematic process in which the coach facilitates the enhancement of work performance, life experience, self-directed learning and person growth of the coachee.” (Grant 1999, the Association for Coaching, 2005).

Coaching is mostly known from sports, but it is also a relevant leadership style when looking at company leaders. The characteristics of coaching are high directive and high supportive behaviour. A leader who coaches still gives very clear directions and instructions and supervises the subordinate's working

process, but in addition to that, they also support the subordinate mentally and motivate them. Of the four leadership styles used in Situational Leadership, coaching requires the most effort from the leader, as he has to engage in both, high directive and high supportive behaviour. Subordinates that should be coached are the ones who lack both skills and motivation.

2.3.3 Supporting

The definition of the supportive leadership style is: “In supportive leadership, the manager is not as interested in giving orders and managing every detail as in giving employees the tools they need to work themselves. While delegation is a vital part of supportive leadership, managers do not simply assign tasks and then receive the results. Instead, they work through the tasks with employees to improve skills and talent until the manager does not need to worry about a task being done correctly and the employee is fully empowered in a particular area.” (Lacoma, 2014)

The supportive leadership style consists of low directive and high supportive behaviour. When a leader uses the supportive leadership style, they give instructions at the beginning, but rather than supervising the subordinate and directing them through the whole completion process of the task, they focus on giving mental support and on keeping the subordinate’s commitment and motivation on a high level. That makes supporting the perfect leadership style for employees who are already competent and experienced, but may still lack commitment.

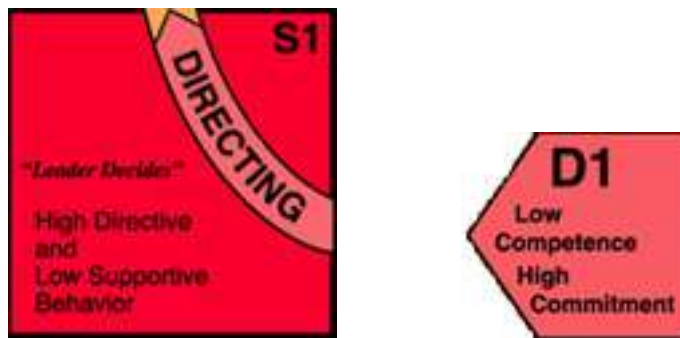
2.3.4 Delegating

The definition of the delegating as a leadership style is: Delegating is a “leadership style in which a leader transfers decision making power to one or more employees, but remains responsible for their decisions”. (BusinessDictionary.com, 2014)

The characteristics of delegating are low directive and low supportive behaviour. All a leader does when delegating is give their subordinate an assignment, the necessary instructions in the beginning and possibly a deadline and leave the rest up to them. That leads to the conclusion that the delegating leadership style is only suitable for use with employees who are highly skilled and highly committed and can be trusted.

Delegating is the leadership style that requires the least amount of work from the leader, so the more employees at their company are skilled and motivated enough to be delegated the more the leader has time and the freedom to think about other problems and make decisions concerning the bigger picture and the future of the company. That makes delegating the most desirable leadership style from a leader’s perspective. In order to successfully delegate, a leader must be able to let go of his complete control over every little step of the task completion process. The leader must be able to trust his employees with completing their tasks on their own without constant supervision. That kind of thinking might be hard for leaders who are most comfortable when they have complete control over everything that is going on, but it is necessary for them to let go in order to have the possibility to think about decisions concerning the bigger picture and the company’s future, which again is vital for the company’s advancement and success.

2.4 Which leadership style for which development level



GRAPH 2. Stage D1, the Situational Leadership Theory

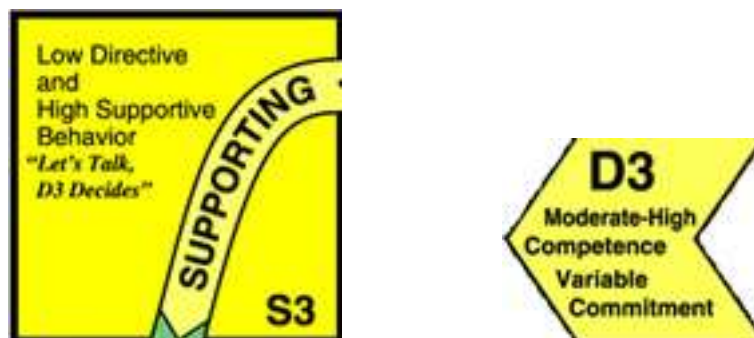
The leadership style that is appropriate for employees in the D1 category is directing. Employees belonging into that category have low competence and high commitment, which means that they are lacking skills, but have plenty of motivation. Being a leadership style that mainly focuses on improving the subordinate's skills and directing them through their tasks but that does not focus on motivating them, the directive leadership style is a perfect fit for people going through the development stage D1.



GRAPH 3. Stage D2, the Situational Leadership Theory

The leadership style that is most suitable for people in the D2 category is coaching. When going through the development stage D2, people are usually

lacking both competence and commitment. That means that they are not yet skilled in their field and their initial motivation has also decreased significantly. In order to get them to develop further, a leader needs to give them technical support in order to improve their skills, but in addition to that also mental support to boost their commitment and motivation. As coaching is a leadership style that offers both, high technical and high mental support, it is the one that a leader should use when working with a person in the development stage D2. With D2 being the most undesirable development stage from a leader's perspective and coaching being the leadership style that requires the most work from a leader, a leader should aim at moving his employees from the development stage D2 to the higher development stage D3 as quickly as possible. In practise, that means committing to an intensive, but as short as possible period of coaching.



GRAPH 4. Stage D3, the Situational Leadership Theory

Supporting is the leadership style that should be used when working with people that fall into the D3 category. Employees in the development stage D3 are already rather competent but their level of commitment is still very shaky. The amount of technical support they need is rather small and when working with them, a leader needs to focus on keeping their motivation and commitment on a steadily high level instead of supervising them, constantly breathing down their neck and giving them instructions they do not need anymore. The supportive leadership style provides exactly that: High supportive but low directive behaviour.



GRAPH 5. Stage D4, the Situational Leadership Theory

People in the D4 category should be delegated. Their competence and their commitment are generally high, so they don't require a lot of directing nor a lot of supporting. The only thing a leader has to do when working with employees in the development stage D4 is to give them a task and a deadline, brief them and leave the rest up to them. As delegating consists of low directive and low supportive behaviour, it is the leadership style a leader should use when working with subordinates in the category D4.

While each of the four leadership styles and each development level require a different amount of active directive and supportive behaviour from a leader, it is advisable for every leader to passively offer support to all of his subordinates, no matter their development level. That is advisable because every employee, independent from his development level, will at some point be in a situation where he needs help with his task, and because a leader has to deal with many employees at once, he cannot always notice right away which of his employees needs support. For a leader, passively offering support means letting his employees know that they have the possibility to contact him when they need support. Good ways to do that are having an open door-policy, special "drop-in" times or regular meetings.

2.5 Biggest mistakes in Situational Leadership

The problem that most easily occurs when using the Situational Leadership model is to not be able to recognise the development stages of one's employees. As the speed of development and learning varies from person to person, it is hard to put numbers of months or years to each development stage. Therefore, in order to define his subordinates' development stages, a leader needs to know them. A similar mistake that leaders are tempted to make is only paying attention to their employees' general competences and skills, but forgetting to put their competences and skills into relation with the task at hand. Depending on the task, an employee's correct development stage may vary, which again has an effect on the leadership style that should be applied. When a leader assigns an employee to the wrong development stage, he also applies the wrong leadership style, which may have a negative effect on the quality of the finished task.

As a result of that, a big mistake that is easily made when applying the Situational Leadership model at the workplace is to think, that applying a theoretical model to leadership replaces a leader getting to know his subordinates. Truth is that on the contrary, in order to be able to successfully apply the model of Situational Leadership, it is crucial for a leader to know his employees.

Another mistake that is easily made even after recognising the correct development stages for one's employees is to strictly apply the theory to practical situations at work without taking into account possible differences in personality and culture of one's employees. In order to achieve the best possible result and the desired reaction from their employees, leaders have to take their employees' personality traits and possible cultural differences into account. Some leadership styles and styles of motivating don't match certain personalities and on the opposite, other leadership and motivating styles might be perfectly suitable for those personalities.

Lastly, it is also a mistake to rely on the thought that giving employees the correct amount of direction and support without giving them the possibility to seek help if needed is enough. As said in the definitions of leadership in the beginning of the thesis, leadership should be an ongoing two-way communication process between leaders and followers. In order for that communication process to work, leaders cannot rely on the one-way communication process of only giving orders, support and feedback to their employees. They also have to give their followers the possibility to communicate back to them; to seek help and support when needed, give feedback to their leaders and talk about possible problems and concerns. The process of leadership can only be at its best when that is done correctly, as giving their followers the possibility to voice their concerns allows leaders to adjust their leadership style when necessary, so that it benefits the company, but also keeps the company's personnel committed and motivated.

3 FOCUSING ON MOTIVATION

Motivated staff is a fundamental part of every successful business. Motivated employees complete their tasks as well as possible and in a timely manner. They think of ways how to optimise their working process and want to actively contribute to the company's success. A united force of motivated staff on all levels is what drives a company. So when wanting to improve a company's performance, the leader should take a look at the motivation of his subordinates.

One can even go as far as to say, that motivated employees can boost a company's reputation while on the other hand, unmotivated employees can lead to the company's reputation being damaged. A person who likes his work and is motivated to do it will most likely do a better job than a person who is not motivated and is only partly committed to his work. That will add up to the company's overall performance and its customers and possible partners will notice the difference.

People who are motivated and enthusiastic and enjoy their work also speak about their company in a different way than people who do not enjoy their work. Motivated employees are much more likely to say positive things about their work and their company to their family and friends, and their family and friends might again repeat what they heard about the company when speaking to their friends, and so on. Shortly, the company gets a good reputation through word of mouth advertising when its employees are motivated and on the other hand a bad reputation when its employees are unhappy. That is one more reason for companies to make their employees' motivation a priority. Company with good reputations have many advantages. Not only might it help them increase their sales and as a result of that also their profit, which in the long run gives them the opportunity to grow and expand, but it might also make it easier for them to find other companies that are willing to do business with them.

In this chapter, two of the most discussed theories on motivation, Fredrick Herzberg's motivational theory and Maslow's Hierarchy of Needs will be

introduced, discussed and compared. After that, different motivational factors for employees and motivational tools for leaders will be discussed, and there will also be a discussion on how an employee's personality influences what his motivational factors are. Then, there will be a closer look on how motivation can be integrated into the Situational Leadership model. Lastly, there will be a short discussion on how cultural differences influence what people see as motivational.

3.1 Fredrick Herzberg's motivational theory

Fredrick Herzberg states that satisfaction and dissatisfaction at work arise from different factors. According to Herzberg, satisfaction arises from factors that directly concern the work while dissatisfaction arises from factors that concern the context of the work. Below is a phrase from his theory that explains his basic thought process:

"We can expand ... by stating that the job satisfiers deal with the factors involved in doing the job, whereas the job dissatisfiers deal with the factors which define the job context." (Herzberg, 1959)



GRAPH 6. Herzberg's Theory on Motivation

The factors that according to Herzberg lead to job satisfaction are called “motivational factors”. The motivational factors are factors that concern the work itself, for example achievement, recognition, the work itself, responsibility, advancement and growth. The factors that lead to dissatisfaction are called “Hygiene factors”. The hygiene factors concern the job context or the work environment. Those factors are for example company policy, supervision, relationships with bosses and co-workers, working conditions and salary.

The fact that according to Herzberg, the factors that motivate people relate directly to their work leads to the assumption that his theory is based on situations where people enjoy their work and their positive feelings towards their job can only be disturbed by negative factors in the job context. According to Herzberg, factors concerning the job context like for example the work environment, relationships with co-workers and the salary can only cause dissatisfaction when they are problematic, but they cannot cause satisfaction when they are positive.

On the contrary, Herzberg’s theory states that factors directly concerning the job like for example achievement, recognition or responsibility cause job satisfaction and motivation when there are plenty of them, but they do not cause demotivation or dissatisfaction when there is a lack of them.

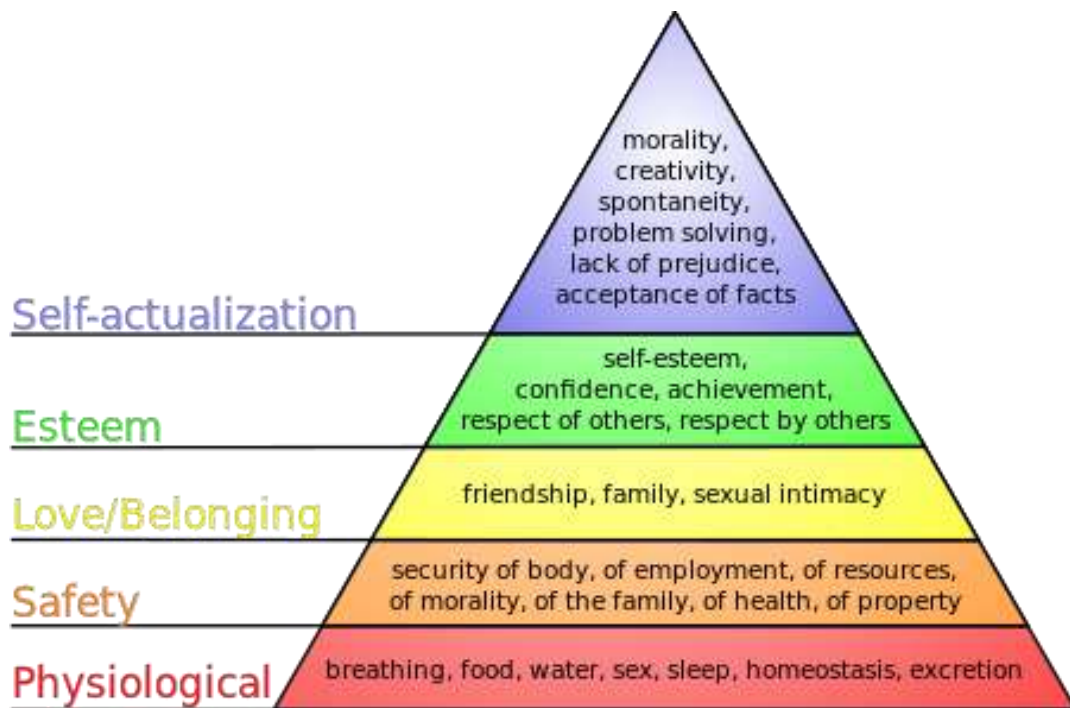
While it is definitely true that achievement, recognition, responsibility, advancement and growth can cause satisfaction and motivation at work, it remains somewhat of a question if the work itself can generally be listed as a motivational factor. A person can be motivated to work just by the work itself in cases where he truly enjoys his work and sees it as a good way to spend his time, shortly in cases where he has landed his dream job. But considering that in reality, that is rarely the case and that many people end up doing work they do not particularly enjoy, this thesis will be based on the assumption that the work itself cannot always be seen as a motivational factor.

Also, while problems relating to company policy, supervision, relationships with co-workers or supervisors, work condition and salary can clearly lead to dissatisfaction and demotivation at work, for this thesis there will be assumed that those factors, when positive, can also contribute to satisfaction and motivation at work. That is especially true when thinking about people who might not particularly enjoy their work and therefore need other reasons to be motivated to give their best. People are definitely more motivated to work in a pleasant environment under good work conditions than in an unpleasant environment under unpleasant conditions. Therefore, it can be concluded that the better the work conditions are and the more pleasant the environment is, the more those factors will have a positive impact on people's motivation.

The same concept applies to relationships with supervisors and co-workers. The better those relationships are, the more motivated people will be to spend time at their work place which will also have a positive impact on their attitude towards their work in general. Company policy and salary can also be motivational factors, unlike stated in Herzberg's theory. An attractive company policy is extremely useful for attracting new employees and it also contributes to maintaining the level of commitment of existing employees to the company. The offered salary can be useful for attracting new employees, but it can also be a factor that motivates existing employees to keep doing good work. In addition to that, a person looking at a possible promotion can be eager to get promoted for the higher salary as well as the promotion itself and the recognition involved in it.

To conclude, while the factors that Herzberg lists are clearly important for the motivation and demotivation of a company's employees, his theory will not be adapted for this thesis as Herzberg's opinion of dissatisfaction only arising from factors that concern the work context and satisfaction only arising from factors concerning the work itself cannot be backed up.

3.2 Maslow's Hierarchy of Needs



GRAPH 7. Maslow's Hierarchy of Needs

According to Maslow's theory of the Hierarchy of Needs, a person's motivation arises from the desire to satisfy his needs. Maslow's theory demonstrates that a person's needs can be arranged in a hierarchy divided into five different levels. The lowest level consists of basic physical needs and as the levels get higher, the needs get more and more intellectual and less crucial for the person's survival.

The lowest level of Maslow's hierarchy is called physiological needs. Those are the needs that have the highest priority of being satisfied as they are crucial for a person's survival and physical well-being. Physiological needs are for example air to breathe, food, water and sleep.

The second level is called safety. Safety includes the security of health, employment, family, resources and property. This level has the second highest priority of being satisfied.

The third level is called love or belonging. It focuses on mental well-being and has the third highest priority of being satisfied. Love or belonging includes friendship, family and sexual intimacy.

The fourth level of the hierarchy is called esteem. This level, much like the third level, focuses on mental well-being, but on a more developed level. It includes self-esteem, confidence, achievement, respect of others and respect by others and has the fourth highest priority of being satisfied.

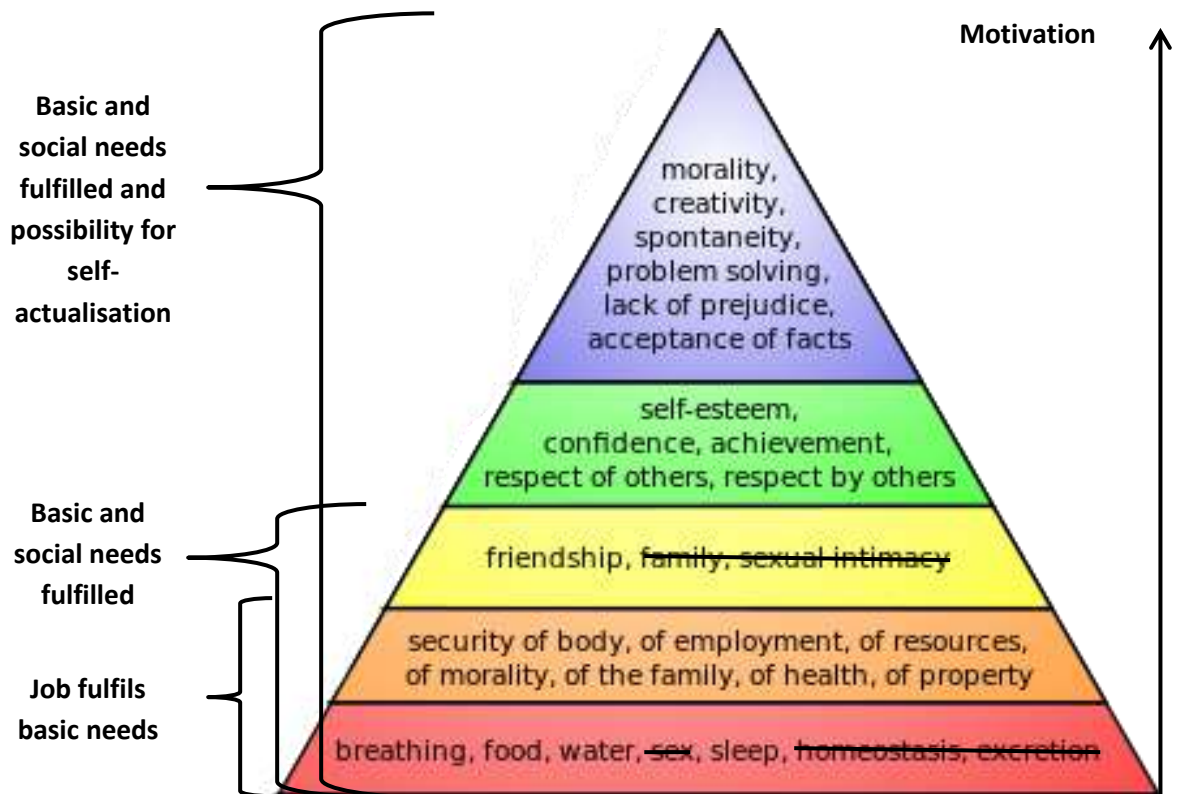
The fifth and most intellectually developed level of Maslow's hierarchy of needs is called self-actualisation. Its priority to be satisfied is the lowest of the five levels as it is the least crucial for a person's basic well-being. It includes morality, creativity, spontaneity, problem solving, lack of prejudice and acceptance of facts.

According to Maslow, people are motivated to satisfy their basic needs displayed in the lower levels of the hierarchy first before moving on to the more intellectually developed needs in the higher levels. When looking at the theory the other way around it can be said that the higher a person is able to climb in the hierarchy of satisfying his needs, the more fulfilled and the happier that person will be.

3.3 Maslow's theory applied to motivation at work

As a person firstly needs to satisfy his physiological needs, those are also the needs that a job needs to enable the person to satisfy first. In practise that means that an employee needs to earn enough money to enable him to buy sufficient food and drink and that his job should allow him to get sufficient sleep. If a job does not give a person the possibility to fulfil those needs, the person is not motivated to work. Building up from that it can be assumed that the more needs a job satisfies and the more levels in the hierarchy of needs a job is able to touch, the higher each employee's motivation to do that job well will be.

This phenomenon can again be divided into three steps. Graph 8 below shows, how Maslow's Hierarchy of Needs can be adjusted to determine, what factors need to be satisfied at work in order to achieve the highest possible motivation in employees.



GRAPH 8. Maslow's Hierarchy of Needs adjusted to motivation at work

When a job fulfils only the basic needs of people living in today's society, meaning that it provides them with enough money to be able to afford sufficient food, a place to live, health care and the possibility to provide for a family, people doing that job are usually just about motivated enough to go to work and work just as much as is necessary to get paid. The main motivational factor for that kind of work is usually money. The type of job that concept applies to is usually hard physical work under unpleasant conditions, for example in a factory.

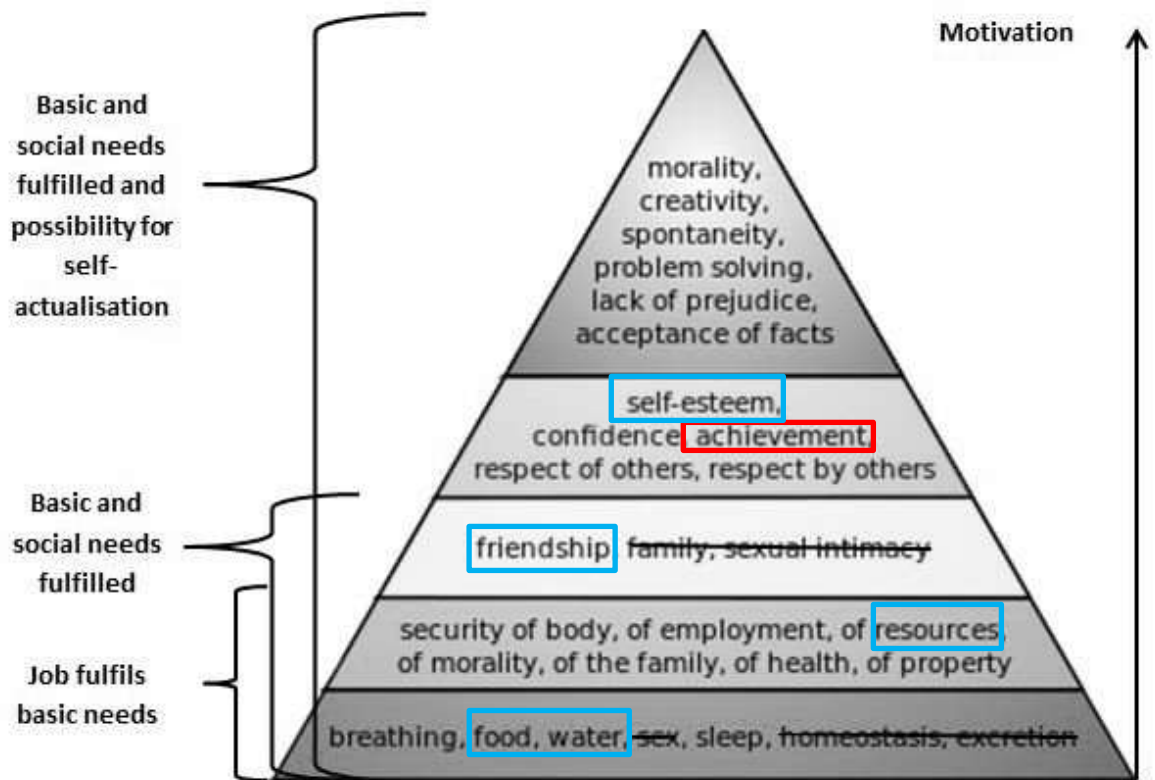
When a job fulfils those basic needs, but also has a social aspect, which includes a good atmosphere at work, friendly interaction between co-workers and the organisation of company-based social events, the motivation of people doing that job is already higher. Money is still a motivational factor, but in addition to that people enjoy coming to work because they enjoy the friendly atmosphere and because they look forward to seeing their co-workers. The social aspect has a direct impact on the motivation of a company's employees and the quality of their

work. They associate the enjoyable atmosphere and the good feeling of socialising with their co-workers with their work and the company, which leads to them being in a better mood at work. They are also more eager to go to work and to do more than is expected of them, for example take extra shifts. This concept applies to work that is not as unpleasant as the hard physical work from stage one, but still is not the worker's dream job, for example the job of a cashier at a supermarket.

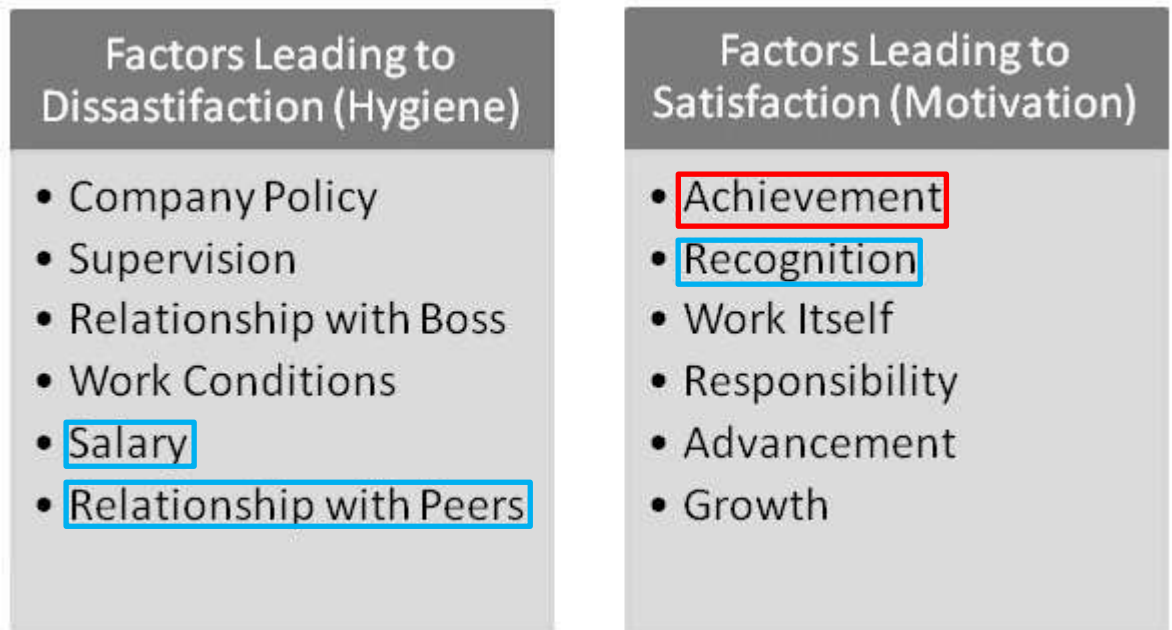
When a job fulfils people's basic needs, has a social aspect and in addition to that gives employees the possibility to be creative and to contribute their own ideas and be involved in important decisions and if their achievements are recognised and they are able to gain self-confidence through their jobs, their motivation at work is the highest possible. This concept usually applies to people who have climbed up the career ladder, are valued and well respected at their job and enjoy what they do.

3.4 Comparison of Herzberg's and Maslow's theories

First, this thesis will be looking at the differences between the two theories. When comparing Herzberg's and Maslow's theories it has to be said that Herzberg's theory was designed to explain motivation at the workplace while Maslow's theory was designed to explain a human's desire to satisfy their needs and was adjusted for this thesis to explain motivation at the workplace. For this comparison, the adjusted version of Maslow's theory will be used and compared to Herzberg's original theory.



GRAPH 9. Maslow's theory adjusted to Motivation at work 2



GRAPH 10. Herzberg's theory 2

The first, and biggest difference of the two theories is, that they take very different approaches to the concept of motivation. Maslow's theory puts a person's needs in an order according to their priority of being satisfied. Using that information one can determine the priority of the needs that a job has to enable a person to satisfy in order to be motivated. Meanwhile, Herzberg's theory deals with satisfaction and dissatisfaction at the workplace and states that they arise from separate factors.

Also, Herzberg's theory seems to be based on a scenario where a person works at a rather well paid and pleasant job, for example at an office, while Maslow's adjusted theory applies to all kinds of work, the quality of the job rising along with the number of needs that it enables employees to satisfy. Another difference is that Herzberg's theory looks at motivational and de-motivational factors while Maslow's theory only explores a wider range of only motivational factors.

Secondly, the similarities of the two theories will be discussed. There is only one factor that both theories list as motivational. That factor is achievement. Another similarity of the two theories is that in Herzberg's theory, recognition is listed as a

motivational factor. Recognition leads to higher self-esteem, which is a factor that is listed in Maslow's theory. There are other factors that are similar in both theories, but while in Maslow's theory they are listed as motivational factors, they are listed as de-motivational factors in Herzberg's theory. One of those factors that Herzberg lists as de-motivational is salary. A person's salary enables them to buy sufficient food and drink and provide for a family. Those three factors, food, drink and security of family are again listed as factors that motivate people to work in Maslow's theory.

To conclude, one can say that although the theories list some similar factors, they take completely different approaches to the concept of motivation. There is only one factor that is exactly the same in both theories, which is achievement. Herzberg's and Maslow's theories take very different approaches to the concept of motivation and do not have much in common. Considering that and the fact that even though they are very different, they both list achievement as a motivational factor, one can conclude that achievement is indeed important when looking at the factors that motivate people at work. In the following parts of this thesis, only Maslow's theory will be applied further.

3.5 Motivational factors for employees

There are many factors that can be the main reasons for employees to be motivated to work. Those reasons can be achievement, recognition, responsibility, advancement, growth, the work itself, money, an attractive company policy, a good social environment at work, the company's morals being in line with their own, the possibility to be creative and to contribute their own ideas, success, or the possibility for them to contribute to a greater cause, for example protecting the environment or improving the education of children. A leader has to know what motivates his employees, when that motivation is needed most and when it is appropriate to apply motivational tools that are significant for the employee as well as for the company, for example pay raises and promotions.

There are motivational factors that are particularly suitable for motivating potential new employees to join a company. Offering reasonable working hours is one of those factors. Many times, people strive to achieve a balance between work and private life. When given the choice, they will choose to work for a company which offers them the possibility to achieve that balance. Another factor that is known to influence a person's decision whether or not to join a company is company policy. A company that has an attractive company policy, which might include offering health care, health insurance and a reasonable amount of paid leave days per year has a much better possibility of attracting talented new employees than a company that does not offer these benefits. For morally oriented people, a company that has morals that are in line with their own is especially attractive.

Then there are motivational factors that are relevant for motivating already existing employees as well as attracting new people. The perspective of working under good work conditions is vital for potential employees when choosing a company to work at. But working under good conditions also leaves a company's existing employees more motivated to come to work every day than bad work conditions would. And improving those conditions, for example by refurbishing offices when necessary, upgrading computers and other tools needed for work, improving the quality of the food in a company's restaurant, or simply getting a new coffee machine for the office can be a huge motivational boost. Possible bonuses for employees that can be earned when reaching certain levels in the company, for example company cars or company provided tablet computers to use for work as well as in private can help convince potential candidates to join the company, but they can also motivate a company's existing employees to do their best in order to reach the levels required to receive those bonuses.

Salary is another factor that can be used to motivate people possibly wanting to join a company, but also people who already work there. The perspective of an attractive salary can be a reason for wanting to work at a certain company. In addition to that, achieving pay raises can be a motivational factor for people already working for the company. Having the possibility to do the kind of work that is important to them and that they enjoy doing is also a factor that has a big influence on people's decisions on whether or not to join a company. When it

comes to doing a job on a daily basis, somebody who likes his work, enjoys what he is doing and feels like he is doing something that is important to him is much more motivated and puts much more effort into his work than somebody who does not like his work.

Some factors that contribute to people being motivated by their work itself are that by doing their work, they feel that they are contributing to a greater cause, which can for example be protecting the environment, serving justice, improving education or curing sick people. For creative people, work that allows them to express their creativity is much more rewarding and motivating than work that offers no room for creativity. The possibility for professional and personal growth is also a factor that motivates potential employees to join a company as well as already existing employees to put more effort into their work. A person might choose to work for a certain company because he feels that working there will give him the possibility to grow. While the possibility to grow can also be motivational for somebody who is already employed at a company, the realisation that he has constantly been growing throughout the whole duration of his employment can be even more motivational. The same concept that applies to growth as a motivational factor also applies to the possibility to learn. The reason for taking on a new job can sometimes be the desire to prove oneself, but wanting to prove themselves is also a factor that motivates employees to give their best at work. A company that is known for an extremely pleasant social environment, which includes the overall social atmosphere, relationships among co-workers and special events, has a better possibility to attract new employees than a company that has a bad reputation when it comes to the social aspects of working there. In addition to that, people who work in a pleasant social environment tend to be much more motivated than people who dread coming to work because of a bad social atmosphere.

There are also motivational factors that are most suitable for motivating people who already work for a company. Receiving recognition is one of those factors. When a person feels that his work is being recognised and valued, he is much more motivated than when he feels that his leader does not care about his work. People are also motivated by the sense of achievement, advancement and

success, which can mean completing a difficult task, finishing a demanding project, closing an important deal, getting promoted or getting a pay raise. Another motivational factor is responsibility. Getting assigned more responsibility raises the importance of a person's work, which as a result makes it more crucial for his work to be of good quality. A very important aspect that has to be considered when looking at motivational factors is an employee's relationship with his leader. Knowing that his leader will help him with problems relating to his work if needed can be very motivational for an employee. Being given the possibility to help improve the company is also motivational for employees. That can be achieved through regular team meetings where every member has the possibility to share his ideas and concerns, detect problems and solve them together with the leader. What has also been found very motivational is having a leader who supports his employees instead of looking down on them.

3.6 Motivational tools for leaders

Leaders have multiple tools to motivate their subordinates. They can use and adjust them according to what motivates their subordinates most. Those motivational tools can for example be a raise of salary, promotion, the simple display of recognition, assigning more responsibility to a person, listen to people's ideas and use them if appropriate, give a person who enjoys creativity more creative assignments or organise social events on special occasions.

The different tools that leaders have do not all fit each situation and employee equally well. In order to find the tool that is most effective in a particular situation involving a particular employee a leader has to ask himself two questions: What kind of tool is appropriate for the given situation? What tools would work best on the employee involved? Asking himself the first question, a leader can eliminate the tools that are not suitable for his particular situation. Motivational tools can for example be too weak, too strong or not possible or advisable for the company to do in the given situation. Asking himself the second question, he can look at the tools he has chosen to be most suitable after asking himself the first question, and

from that group of tools he can then find the one that is both: suitable for the situation and effective on the employee.

Like the motivational factors for employees, the motivational tools for leaders can also be divided into tools that are most useful for attracting new employees, tools that are most useful for motivating existing employees, and tools that can be used for both purposes. It has been noticed that some motivational tools for leaders may fall into a different category than their equivalents from the motivational factors for employees. That is the case, because some factors that indirectly contribute to an employee's level of motivation, like a pleasant social atmosphere or good work conditions, cannot be used by a leader to further motivate that employee, as employees tend to take them for granted after a while. While that employee is more motivated in a pleasant social atmosphere working under good conditions than he would be in an unpleasant atmosphere working under bad conditions, a leader cannot use the good work conditions as tools to boost that employee's motivation anymore given that they already exist, unless they are improved even further.

Firstly this thesis will look at the tools that can be used for attracting new potential employees. The tools most suitable for that purpose are offering potential employees good work conditions, a pleasant work environment and the possibility to balance their work and their private life, which means offering reasonable working hours and a reasonably long annual paid leave. An attractive company policy which for example includes health care, free gym memberships or discounts at certain shops can also be used by a leader to attract new employees.

Then, there are tools that are suitable for both, attracting new employees and motivating existing ones. The possibility to reduce hours and work part time if necessary attracts new parents, people planning to have children or people currently caring for sick family members. But it is also possible to improve an employee's dedication to the company and as a result also his motivation, when he finds himself in one of the previously described situations and is offered the possibility to reduce or adjust his working hours. The possibility of eventually getting company cars or other bonuses can attract new employees, but the

perspective of earning them after reaching a certain level can also be used to motivate already existing employees.

In this paragraph, there will be a discussion of the motivational tools for leaders that are most suitable for motivating a company's employees. Those tools can again be divided into tools that are significant for the company, and tools that only require some effort from the leader. Firstly, the motivational tools that are significant for the company will be discussed. Those tools are pay raises, promotions and assigning more responsibility. Giving employees the possibility to learn and improve their skills through courses, workshops and seminars also falls into that category, as the company has to pay for that education. As promotions are rather significant for a company considering that they change who is in charge of certain tasks, a leader has to consider carefully whether or not to take that step. The same concept applies to assigning more responsibility to an employee. A way of assigning more responsibility to an experienced employee without changing his usual tasks is to let him train and supervise new, unexperienced employees. He will be responsible for the people he supervises while indirectly training his leadership skills. In addition to that, knowing that he has people learning from him and looking up to him will also motivate him to put more effort into his own work. Pay raises and outside education cost the company money, so those motivational tools also have to be considered carefully before they are used, taking into account the company's financial situation and their appropriateness in a particular situation. Organising company events or trips also takes time and effort and is rather expensive. Therefore, it also falls into this category and has to be planned carefully.

Secondly, the thesis will look at the motivational tools that only require effort from the leader. A leader can show an employee recognition by simply commenting on his work or giving positive feedback. Another way of showing recognition to employees who have been working particularly hard is for example choosing an employee of the week, the month or the year. A different approach that indirectly shows recognition is to ask an employee's opinion on things in his field of expertise which shows him that his expertise is known and valued. When an employee comes up with a good idea on how to optimise a process in the

company, for example day-to-day operations, giving them credit when using that idea is crucial for a leader, as it is a good way to show that he values the employee, and taking credit for the employee's idea would not be fair. Giving employees mental or technical support when needed is also a very effective motivational tool that is easy to use for leaders. When new projects come up, a leader can assign them to qualified employees while taking their interests into account. Being allowed to work on a project that he is particularly interested in improves an employee's motivation significantly. Organising regular meetings with employees where they can freely talk about any problems and concerns they may have is also motivational, because when a leader takes the time for those meetings, it shows that he cares for his employees' well-being. Last but not least, the best way for a leader to show his employees that they and their work are valued is not to put himself in a different league above them, but to be part of the team and act as such.

3.7 Motivation and personality

Knowing which motivational tool to use in which situation with which person requires a leader to know his subordinates. When a leader wants to motivate his staff members, he has to take into account that his employees are not one big group of people that respond to their leader's attempts to motivate them in the same way, but that they are all individuals with different motives and backgrounds who can be motivated by very different things.

For some, money might be the main motivational factor. For others, it might be climbing the career ladder, moving up in the company, getting promoted and receiving recognition. Then again, others might see the social aspect of the workplace as the main motivational factor to give their best at work, and others again might just enjoy doing what they love for a living. What a people's main motivational factors are depends very much on their upbringing, their background, their current situation in life and their personalities. Being a good leader is not only about knowing a lot about leadership in theory, it is also about interacting with

one's subordinates and getting to know them in order to find out what motivates them and which is the best way to lead them.

3.8 Motivation and the Situational Approach to leadership

As discussed in the previous chapter, what motivates a person always depends on the person's background, upbringing, personality and living situation, so the most effective way for a leader to find out what motivates their subordinates is to get to know them. But returning to the model of Situational Leadership, some general tools and guidelines can be established to help a leader determine, what motivational tools are appropriate and generally the most helpful for which development stage of their subordinates. Below is a table that shows, what motivational factors are most common for people in each development stage, and what motivational tools leaders can use to meet those factors.

TABLE 1: Motivation & Situational Leadership

Development stage	D1	D2	D3	D4
Motivational factors	-improvement of own skills -possibility to learn -attention -recognition -success	-self-esteem -confidence -advancement -success -recognition	-recognition -achievement -success -close gaps in professional knowledge	-recognition -trust -advancement -achievement -appreciation -respect
Motivational tools	-acknowledgement of their effort -offer possibility to learn -provide tools to learn -assist with tasks	-help improve competence -show appreciation -acknowledge efforts -reward when appropriate -mental support	-pay raise -promotion -seminars, workshops courses -more responsibility -involve in decisions & problem-solving	-show them that they are valued -pay raise -promotion -act in a way that shows them that they are trusted -help keep their knowledge up to date -involve in decisions -ask opinion

As written above, motivational factors for employees and motivational tools for leaders can be tailored to the stereotypes of each of the four development stages of employees utilised in the Situational Leadership model. Now, the reasons for the choices of motivational factors and tools for each development stage will be explained in detail and justified, each development stage at the time.

D1: Like discussed in the previous chapters, people undergoing the development stage D1 have low competence and high commitment. They are already highly motivated and want to prove themselves, but they often lack the skills and the competence to do so. In order to keep their motivation on a high level and prevent them from getting frustrated by their lack of competence, the best way to motivate them is to help them improve their skills and to assist them with their tasks whenever necessary. They need the possibility and the tools to learn as well as support with their tasks.

D2: People in the development stage D2 have low competence and low commitment. Their skills have not yet developed enough to place them as competent workers, and they have started to get frustrated by their lack of success and achievement. The most important thing to do for a leader in this situation is to minimise their frustration while continuing to improve their skills. The best way to do this is to show them that their work is appreciated, to acknowledge their efforts and achievements and to reward them when appropriate while still assisting them with their tasks where necessary. In short, they still need the tools and possibility to improve their skills, but they also need mental support, and they need to be given the feeling of success and achievement.

D3: People going through the development stage D3 have some competence and variable commitment. What a leader wants to achieve here is to keep the commitment on a high level and still improve the competence where necessary. People in the stage D3 need the possibility to close the gaps in their set of skills, and they also need to be shown that they are valued in order to change their level of commitment from variable to high. Closing the gaps in their competence could for example be done through work-shops, seminars or short courses focusing on certain skills. It could also be done by having them work on a project together with

somebody who possesses the skills they are lacking, so that they could learn from that person. Showing them that the company values them can be achieved through pay raises, promotions, giving them more responsibility, involving them in decisions and problem solving or encouraging them to develop own ideas which then can possibly be implemented if useful.

D4: A person who is in the development stage D4 has both, high competence and high commitment. All that a leader needs to do when working with a person in this development stage is to maintain the high commitment and keep their skills up to date. With employees in the development stages D1 to D3, the aim is to motivate them to develop further in order for them to move up to the next development stage. With employees in the development stage D4 however, the aim is to maintain their levels of competence and commitment, as they are already in the stage that is the furthest developed.

As companies undergo constant change, it is important to keep employees in the stage D4 up to date. If new technology is introduced, they need to be taught how to use it. If the company changes their strategy, they need to know about it in order to be able to adjust their work. In addition to that, work-shops, seminars and courses help keep their professional knowledge up to date. Also, their commitment, which already is on a high level, needs to be maintained. This can be done through promotions, pay raises, more responsibility, for example letting them supervise new employees, involving them in decision making and problem solving, implementing their ideas and showing recognition. While all these big displays of recognition are useful when appropriate, also a simple “thank you” can be a significant motivational boost sometimes.

For employees as skilled and experienced as employees in the development stage D4, it is important that their leader trusts them. They need to be given their space while working, as when a leader is constantly breathing down their neck and supervising them closely, they might feel patronised which then might drag their motivation down. They still need to be assigned tasks and given possible instructions or deadlines in the beginning, but their skills are developed enough and their commitment is high enough to trust them to complete those tasks without

constant supervision. Also, especially for highly developed employees, it can be very motivational to see that their leader is part of the team and does not put himself in a higher league. Leaders still need to keep their authority, but good leadership is not about shouting orders, it is about successfully working together.

3.9 Motivation and culture

When working for a company with international staff, a leader has to take their employees' cultural background into account in addition to their personality and development stage when looking for the most effective way to motivate them. Different cultures have different ways of expressing themselves, and they interpret signals a person sends out through language, body language and behaviour in different ways. A leader using the same strategy to motivate two people from different cultural backgrounds might get two very different reactions. Therefore, a leader faced with leading people from different cultural backgrounds needs an understanding of different cultures as well as leadership skills in order to know what signals they have to send out so that their multicultural subordinates interpret what their leader is telling them in the way that it was meant to be interpreted. If a leader working with multicultural staff does not have an understanding of the different cultures he faces, misunderstandings are bound to happen.

One big cultural difference that has to be taken into account when thinking about motivation is how different cultures express satisfaction and praise. In some places, like Northern Europe, people don't usually get too enthusiastic about expressing satisfaction. Them not complaining usually means that they are happy with what they see, and sometimes they might say a few words like "good", or "well done". In contrary to that, people from Southern Europe tend to get very excited and articulate when it comes to praising or expressing satisfaction.

So when a person from Northern Europe gets a long, heated speech about how great their work is, they might feel patronised or think their leader is being sarcastic. But when a person from Southern Europe doesn't get any praise or just

a few words for good work, they might think their work isn't good enough or feel like they are not getting enough recognition.

4 CASE STUDIES

In this chapter, the theory of situational leadership and the concept of motivation will be applied using three different case studies. There have been selected three companies from different industries as case studies in order to detect possible industry-specific differences when it comes to leadership. The three different industries chosen are the fashion industry, the technology industry and the hospitality industry. The companies are H&M, Google and Hilton Worldwide. Those three companies, besides their differences, also have some common aspects. They are all big, successful, well-known multinational companies. This chapter only focuses on finding the differences and similarities in leadership and motivation throughout different industries utilising examples of big businesses. There will not be a comparison of leadership styles of big companies and small and medium sized businesses. The company-specific information used in this chapter has been taken from documents the case study companies have published on their websites.

4.1 H&M

H&M is a Swedish based internationally operating fashion store chain that also offers online shopping. H&M's business concept is to offer sustainable fashion at the best price. The current CEO of H&M is Karl-Johan Persson. Offering sustainable fashion at the best price is also the company's mission. The company's vision is that all their operations are run in a way that is economically, socially and environmentally sustainable. H&M has published eight core values in their published document "The H&M Way". Those value statements are: "We believe in people. We are one team. We work on constant improvement. We are straightforward and open-minded. We all share entrepreneurial spirit. We keep it simple. We are cost conscious and always keep sustainability in mind." (The H&M Way, 2014) The following statements concerning leadership and motivation at

H&M have also been taken from the document called “the H&M way” which has been published on their website.

H&M is a workplace where people “treat each other with integrity, respect, humbleness and dignity”. (The H&M Way, 2014)

“Teamwork is essential at H&M and is part of our culture. We are always driven by our values and we lead by example. Our leaders should always be role models and set a good example in everything they do. At H&M, leadership is about inspiration, delegation, feedback and motivation.” (The H&M Way, 2014)

“By providing a fun, creative and dynamic workplace, we all grow together. Great opportunities are provided through internal recruitment and work rotation. Everyone is a talent and makes a difference at H&M.” (The H&M Way, 2014)

“We want to maintain pleasant and sustainable working environments throughout our operations. This includes ensuring that you as an employee have a safe workplace. H&M takes preventative measures to ensure the long-term safety and good health of our employees. We encourage our employees to report accidents or unsafe working conditions to their manager.” (The H&M Way, 2014)

“H&M creates workplaces in which open and honest communication among all colleagues are valued and respected. One of our core values is “being straightforward”. Our Open Door Policy grants all colleagues the opportunity to openly discuss any work-related issue directly with their managers.” (The H&M Way, 2014)

“We believe in being a good employer in every sense, and working in fair partnership. We respect the rights of our employees to establish or join organisations of their own choosing. We believe in constructive employee relations with our employees and with any employee association or trade union that represents them.” (The H&M Way, 2014)

Firstly, there will be an analysis of what the above statements say about leadership at H&M, focusing on what leadership style is indirectly promoted on their website, and trying to establish based on the company’s published information, if the Situational Leadership Theory is being applied at H&M. To begin, it has to be said that that the term “Situational Leadership” is not used in the document.

TABLE 2: Leadership and motivation at H&M

	Leadership	Motivation
+	<ul style="list-style-type: none"> - Leaders are role models - Open door policy → Allows two-way Communication - Feedback - Employees have liberty to develop and apply own ideas 	<ul style="list-style-type: none"> - Social atmosphere - Teamwork - Internal recruitment → Career opportunity - Work rotation - Working environment - Fair partnership with employees
-	<ul style="list-style-type: none"> - Delegation main leadership style → Limits the choice of possible employees 	<ul style="list-style-type: none"> - No sign that degree of supportive behaviour is adjusted to employees’ needs

In some of the above statements, leadership and a leader's desired behaviour is mentioned directly. According to H&M's published document, leadership at the company is about inspiration, delegation, feedback and motivation.

Delegation is a leadership style used in the Situational Leadership Theory. It is the leadership style that is supposed to be used when working with highly experienced, skilled and dedicated employees, because it involves low directive and low supportive behaviour from the leader which means, that the follower is given a lot of responsibility and therefore has to be trusted. Assuming that delegation is the main leadership style used at H&M, the leaders at the company are low directive and low supportive towards all employees, experienced ones as well as unexperienced ones. The fact that two of H&M's core values are "we believe in people" (The H&M Way, 2014) and "we all share an entrepreneurial spirit" (The H&M Way, 2014) is also a hint that the leadership style at the company is rather liberal and gives people space to develop and apply their own ideas. If that is the case, new employees at the company mainly learn from experience on the job, and not from being instructed and supported intensively in the beginning. Using the same leadership style throughout all development stages means that Situational Leadership is not being applied, and it also means that the company has to recruit a certain kind of people who are compatible with the leadership style that is being used. When it comes to delegating, unexperienced people would have to be extremely confident and proactive to achieve good results without the extra instruction and support in the beginning that comes with other leadership styles. The fact that one of H&M's core values is "keeping it simple" (The H&M Way, 2014) can also be understood as a hint that the company prefers to focus on only one leadership style and therefore mainly employs people with certain personality traits in order to keep leadership simple. As a result, H&M might be missing out on very talented and skilled people because of their lack of the right personality traits. So one suggestion to apply another value of the company, constant improvement, would be to focus on talent instead of only personality and teach the leaders to apply different kinds of leadership styles. That would help the company grow and develop into different directions, which will benefit the business in the long run.

Feedback and motivation are two very important parts of leadership. Feedback is what helps people grow and improve their skills, and positive feedback is also an important motivational factor. The statement that leadership is “about motivation” contradicts the statement that leadership is “about delegation”, because delegation implies low supportive behaviour, which means low motivational behaviour from the leader.

Even though the statement that leadership is about delegation contradicts the statement that leadership is about motivation, based on H&M’s document it has to be assumed that the main leadership style at H&M is delegating. That means that the leadership style is rather liberal and gives employees the room to apply their own ideas and learn from their own experiences rather than being instructed in detail and having to follow a thought-out plan from the leader. That is an advantage for people who are confident, creative and proactive enough to be comfortable being delegated from the beginning, but it also limits the choice of candidates that the company can employ, as not everybody is confident enough to be delegated right from the beginning. By limiting themselves to only employing people who possess certain personality traits, the company achieves to only have employees who are easily led in a certain way. The downside of that kind of evaluation process is that the company might miss out on extremely talented people who could be significant additions to the company, only because those people’s personality traits don’t exactly match the company’s scheme. Therefore, H&M would benefit from including Situational Leadership into their daily operations, as that would force the company’s leaders to deal with different leadership styles, and as a result they would be able to lead people with different personalities and not miss out on all the talented people they may have turned away in the past because their personality was not the right fit for the company.

It is also said that leaders at H&M should always be inspirational role models who lead by example. That implies, that leaders at the company must come from the fashion industry to be able to lead by example, and that new leaders are likely to be successful employees of the company who are being promoted, because they

already know the company's values and are familiar with the way the company does business. This provides career opportunities for employees at H&M at their own company, which is an important motivational factor.

The statement that teamwork and open and honest communication among all colleagues are essential and the open door policy mean that in addition to being team leaders, leaders at H&M are also part of their team, which is a very positive thing. That viewpoint is also supported by two of H&M's core values: "We are one team" (The H&M Way, 2014) and "We are straightforward and open-minded" (The H&M Way, 2014). That is a positive aspect of leadership at H&M, because it means that in addition to being part of their teams the leaders are easy to reach for their followers due to the open door policy, which is also a good thing, as it promotes the theory and the modern approach that leadership is a process of ongoing communication between leaders and followers.

H&M provides more and clearer information about motivation than about leadership. First, there will be an analysis of the motivational tools that the company uses to attract new employees. The one that is pointed out first is providing a "fun, creative and dynamic" workplace, which translates to providing attractive work conditions. Other terms that are used to advertise the company's attractive work conditions are "pleasant and sustainable working environments throughout our operations" (The H&M Way, 2014) and ensuring that "you as an employee have a safe workplace" (The H&M Way, 2014). Providing good working conditions is also included in the vision of the company, as the vision includes running all operations in a socially sustainable way. Other than providing attractive work conditions and environments, H&M attracts new employees through stating that the company works in fair partnership with its employees and believes in being a good employer in every sense, including respecting employees' rights to establish or join organisations of their own choosing and constructive relations with trade unions.

There is only one statement focusing on how people who are already employed at H&M are motivated: "Great opportunities are provided through internal recruitment and work rotation." (The H&M Way, 2014) Work rotation is an opportunity for employees to gain skills and experience in different areas of the industry, and internal recruitment opens the possibility for a career at the company for employees on every level. The statement that people at H&M treat each other with integrity, respect, humbleness and dignity is also an indirect motivational factor for employees, as an environment where people treat each other nicely promotes greater productivity than an environment that's ruled by rivalry and conflict.

When applying Maslow's theory to H&M's motivational strategies, it can be seen that the company allows its employees to fulfil their basic and social needs and in addition to that gives them the possibility for self-actualisation. As a result, the company's employees' motivation should be on a high level. Assuming that the employees receive reasonable salaries, out of the group of basic needs, H&M lets their employees fulfil their need for food and offers them security of their resources, property, families and depending on the contract employment. As the company ensures that workplaces are safe, the company also contributes to ensuring their employees' health. The fact that a good atmosphere and teamwork are valued at H&M contributes to the fulfilment of the company's employees' social needs. The company also gives their employees the possibility for self-actualisation by letting be creative and encouraging them to develop their own ideas. Through internal recruitment employees are given the chance to be promoted which gives them a sense of achievement, and as discussed in the chapters on motivation, achievement is a very important motivational factor for employees.

4.2 Google

Google is a big, multinational company specialised in information technology. Their first product was an online search engine, but nowadays they offer a whole range of products including social media platforms, blog platforms and email providers. They have also taken over the video sharing website Youtube. The current CEO of the company is Larry Page. Google is famous for its good atmosphere throughout the company and the company is currently at the top of the list of the best employers. Considering that, it can be concluded that Google must do something right when it comes to effective leadership and motivation. The company does not provide much public information about their leadership and motivation techniques, but some information can be found on Google's website. Google's mission is to organize the world's information and make it universally accessible and useful. The company's vision is to develop the perfect search engine. On their website, Google has published ten value statements: "Focus on the user and all else will follow. It's best to do one thing really, really well. Fast is better than slow. Democracy on the web works. You don't need to be at your desk to need an answer. You can make money without doing evil. There's always more information out there. The need for information crosses all borders. You can be serious without a suit. Great just isn't good enough." (Google.com, 2014) The following additional statements concerning culture and leadership at Google have been taken from their website and translated into English.

"Our people make Google what it is. We have smart and ambitious people in our team. These skills are more important to us than experience. Although everybody at Google shares common goals and visions for the company, we have very different backgrounds and speak many languages and our users come from different countries all over the world. Our leisure interests range from biking and beekeeping to Frisbee and foxtrot." (Google.com, 2014)

“We like to have an open culture, as is typical for start-ups. Anyone can become actively involved and share their ideas and opinions with others, for example in our weekly TGIF meetings ("Thank God it's Friday – Luckily it's Friday"), and of course via e-mail or in our café. Our staff can directly communicate with Larry Page, Sergey Brin and other members of the contact management teams and talk about business-related questions. Our offices and cafes are set up in a way that promotes interaction between team members, and also across teams - whether that is at work or a game of table football.” (Google.com, 2014)

Situational Leadership is not mentioned on Google’s website, and there is no reference to any other specific leadership style either. But the company does promote an open culture where it is easy for all employees to communicate with their leaders and each other, which as a result makes leaders active parts of their teams, so that leadership becomes an ongoing communication process between leaders and followers.

TABLE 3: Leadership and motivation at Google

	Leadership	Motivation
+	<ul style="list-style-type: none"> - Ongoing two-way communication between leaders and followers - Leaders are active parts of their teams - Focuses on employees' skills, not personality traits → Situational Leadership - Frequent interaction between teams 	<ul style="list-style-type: none"> - Open culture - Work environments - Social atmosphere - Weekly meetings
-		<ul style="list-style-type: none"> - Possibility for free-time activities at the workplace encourages employees to work long hours

Unlike H&M, Google focuses on their employees' skills instead of their personality traits. That approach gives Google a considerable advantage over companies that mainly focus on personality. That thought is also expressed in two of Google's value statements: "The need for information crosses all borders" (Google.com, 2014) and "It is best to do one thing really, really well" (Google.com, 2014). Human resources are still the most important resources of every company, and companies that focus on skills have access to a much wider field of resourceful employees than companies that have to narrow their choice of employees down to people who possess the necessary skills and the personality that matches the companies' leadership styles. The fact that leaders at Google are able to lead people with different backgrounds and personalities through their whole development process

suggests that they successfully apply Situational Leadership, either knowingly or intuitively. That theory is supported by the fact that leaders at Google are active parts of their teams and therefore know their followers well, which again is necessary for leaders when wanting to apply Situational Leadership successfully.

When it comes to motivation, Google provides unique work environments that attract new employees as well as help maintain the motivation of existing employees. Those work environments define the atmosphere at Google and include playfully furnished offices that make people feel comfortable and stimulate creativity and cafes that offer the possibility for break or free time activities like table football and by the way they are set up promote communication among colleagues either from the same or from different teams. Promoting communication among team members and also between teams is a smart move. Besides creating a good atmosphere at the workplace, it gives people the opportunity to talk about work in a relaxed environment without any pressure. This again can lead to new ideas, especially when people from different teams get to talking and get opinions on their work from colleagues that work on different projects or even have completely different jobs. One of the company's value statements, "you can be serious without a suit" (Google.com, 2014), stands for exactly that: being productive and serious about work in a pleasant atmosphere without the stiffness that is present in some offices and that comes for example from having to wear a suit to work. The downside of constantly offering free-time activities at the workplace is that it encourages employees to spend a lot of their spare time at work. While that may be beneficial for the company, it can have negative effects on the company's employees' personal lives. By spending all their free time at the workplace, they strengthen the bonds to their co-workers, but at the same time they weaken the bonds to their families and friends, as they do not have any time left to spend with them. Offering free-time activities at the workplace creates a positive atmosphere and indirectly encourages productivity, so Google should definitely hold on to that. But in addition to that the company should emphasise the possibility for its employees to work reasonable and flexible hours so that the pleasant work environment does not have a negative effect on the employees' personal lives.

Weekly meetings, called “Thank God it’s Friday”-meetings where everybody has the possibility to share their ideas, opinions and concerns are also an important motivational factor for Google’s employees. The fact that they are regularly given the opportunity to contribute to shaping the company in a certain way makes them feel important and valued. In addition to that, knowing that their ideas will be heard gives them some extra motivation to come up with new ideas and suggestions.

Now, Maslow’s motivational theory will be applied to Google’s motivational techniques. In the case of Google there can also be assumed that employees receive reasonable salaries. That assumption is supported by their value statement “You can make money without doing evil” (Google.com, 2014). Reasonable salaries allow employees to fulfil their basic needs. The good and extremely playful atmosphere at Google and the fact that the company structure is based on team work also contributes to the fulfilment of the social needs of Google’s employees. There are no statements regarding advancement or promotion, but Google counts on its employees’ ideas, which requires them to be creative. That and the fact that in the technology industry there is a lot of problem solving involved also gives Google’s employees the possibility for self-actualisation.

4.3 Hilton Worldwide

Hilton Worldwide is a US based international company in the hospitality industry. According to the company’s website, Hilton Hotels, the company’s signature hotel brand is the most recognised hotel brand in the world. The current CEO of Hilton Worldwide is Christopher J. Nassetta. The company’s mission is “to be the preeminent global hospitality company - the first choice of guests, team members, and owners alike.” (Hiltonworldwide.com, 2014) Hilton Worldwide’s vision is “to fill the earth with the light and warmth of hospitality.” (Hiltonworldwide.com, 2014)

The company has six core values: The first value is hospitality, which means being passionate about delivering exceptional guest experiences. The second value is integrity, which means doing the right thing all the time. The third is leadership, which means being leaders in the hospitality industry as well as communities. The fourth core value is teamwork, which means being team players in every situation. The fifth is ownership, which means taking responsibility for actions and decisions, and the sixth and final core value is operating with a sense of urgency and discipline.

“Hilton Worldwide University (HWU) is our internal university for learning across all of Hilton Worldwide. By leveraging the best learning programs, both internally and externally, HWU helps our Team Members develop their talents, challenge themselves professionally and enhance their knowledge base in ways that can help them grow within our industry.” (Cr.hiltonworldwide.com, 2014)

“HWU delivers its curricula through five unique colleges, each with an assigned executive sponsor and dean. Collectively, the five colleges offer more than 2,500 courses delivered in a variety of ways, including classroom training, e-learning, webinars and e-books. In addition, we provide tuition reimbursement to Team Members for courses that are directly related to their current job, taken in preparation for additional responsibility, or required for degree completion from an accredited college or university.” (Cr.hiltonworldwide.com, 2014)

“Cross-cultural training is offered for Team Members who transfer outside their home countries. Our training addresses the unique challenges they face by providing targeted information, coaching and advice. Participants gain a heightened understanding of the values and attitudes of the specific culture, leading to better strategies for accomplishing business and personal objectives.” (Cr.hiltonworldwide.com, 2014)

“Hilton Worldwide partners with Global English to provide English as a Second Language (ESL) programs for our Team Members throughout our company. Team

Members can focus on different job-related topics, such as guest interaction, email correspondence, meetings and presentations, and telephone conversations. Over 1,800 Team Members are currently enrolled in the program.”

(Cr.hiltonworldwide.com, 2014)

“Finally, every corporate Team Member is included in our global Performance Management Review process. This includes the setting of objectives at the start of the year, mid-year check-ins and the year-end performance review. Managers encourage Team Members to share their ideas, objectives, goals and concerns, and offer regular feedback and coaching on performance throughout the year. Talent reviews take place at every level of the organization, using a common process and templates to ensure fairness and alignment.”

(Cr.hiltonworldwide.com, 2014)

“The most active method for getting feedback from our Team Members is our annual Global Team Member Survey, which directly impacts decisions and policy changes at the company. As a result of past feedback, for example, we have made improvements to the Team Members’ annual review process and performance management tools, and to our approach to learning and development, as well as our recognition programs. To ensure Team Members understand that their feedback matters, we communicate when a change is made in response to Team Member survey feedback.” (Cr.hiltonworldwide.com, 2014)

“Additional communication tools include townhall-style meetings led by our CEO to review the company’s progress; our internal communications portal featuring the latest news from across the company, as well as resources for Team Members and franchise partners; opportunities for Team Members to provide feedback to supervisors or General Managers anonymously; and print communications so that information may be shared with Team Members who may not have computer access.” (Cr.hiltonworldwide.com, 2014)

“Recognizing and rewarding our Team Members is a fundamental part of our culture as well. We celebrate their accomplishments in every way possible, and our leaders are encouraged to show their appreciation on a regular basis. We offer numerous awards, commemorations and benefits that reflect their many contributions to our success.” (Cr.hiltonworldwide.com, 2014)

“It is critical to our company’s continued success that we understand and utilize our Team Members’ unique personal and cultural perspectives. Through collaboration between our business areas and human resources, we have created a system to embed diversity and inclusion into our key strategic priority of aligning our culture and organization.” (Cr.hiltonworldwide.com, 2014)

“As a global company, it is important that our commitment to diversity is a prominent component of the way we engage with our guests, owners, partners and suppliers. This process begins with our Executive Diversity Council (EDC), which is chaired by our CEO and comprises the company’s most senior leaders. The EDC highlights our ongoing support and commitment to diversity, and oversees our overall diversity strategy. Senior leadership is committed to investing in business strategies that leverage diversity, including our culture, talent and marketplace initiatives.” (Cr.hiltonworldwide.com, 2014)

“Creating an inclusive work environment is an integral part of our Talent Management strategy, and we foster a culture that is inclusive of diversity of background, opinion and thought. In the United States, we have built relationships with select leading historically black colleges and universities (HBCUs) and Hispanic-serving institutions (HSIs) to recruit top talent within hospitality programs. In addition, we have a long-standing relationship with the National Society of Minorities in Hospitality (NSMH), which allows us to reach students in local chapters at colleges and universities nationwide. Our leadership team also has taken positions with many professional associations on university and organizational boards or advisory councils.” (Cr.hiltonworldwide.com, 2014)

“In early 2014, we became a signatory to the CEO Statement of Support for the Women’s Empowerment Principles. The Principles are the result of collaboration between the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the United Nations Global Compact and offer guidance on how to empower women in the workplace, marketplace and community. By signing the statement, we acknowledge that full participation of women in our company and in the larger community makes sound business sense now and in the future. It also underscores our commitment to support women as leaders and business partners, as well as building community partnerships that invest in women and girls through education, training and personal development.” (Cr.hiltonworldwide.com, 2014)

“Team Member Resource Groups (TMRGs) further diversity and inclusion throughout our company, promote professional growth through networking and development, and provide key perspectives to the company as we market to diverse customers and owner segments. Currently, we have seven TMRGs organized around Women; Lesbian, Gay, Bisexual and Transgender (LGBT) & Friends; African-Americans; Hispanic/Latinos; Asians and Pacific Islanders; Abilities TMRG; and Veterans. The groups were established in our largest corporate sites and are sponsored by senior leadership to ensure commitment from the top. A TMRG Steering Committee meets quarterly to provide strategic direction to the chapters with guidance from the EDC.” (Cr.hiltonworldwide.com, 2014)

“We were the first major hotel company in 2004 to develop an effective outreach program to further educate minority and female entrepreneurs on becoming owners of our properties. These efforts continue today. We also promote ownership through the National Association of Black Hotel Owners, Operators & Developers (NABHOOD), an organization of which we were a founding sponsor and remain a long-term supporter; the Latino Hotel & Restaurant Association (LHRA); and the Asian American Hotel Owners Association (AAHOA).” (Cr.hiltonworldwide.com, 2014)

“The health and well-being of our Team Members is essential. Though our benefits vary around the world according to local practices and regulation, as well as property ownership, benefit packages are aligned with the Values that unite our Hilton Worldwide network.” (Cr.hiltonworldwide.com, 2014)

“Accordingly, we have developed a wellness strategy at our corporate locations and some of our largest hotels that includes development of a wellness champion network, health and wellness activities, and Hilton Worldwide Health & Fitness Day. We also have an informational campaign that provides Team Members with tips to protect their health and the health of their family members. We partner with our health care vendors to offer myriad resources and promote a different health and wellness theme each month.” (Cr.hiltonworldwide.com, 2014)

“A healthy work-life balance also is critical to Team Members’ overall well-being. Flexible work arrangements are an example of our commitment to supporting work-life balance and are enabled by open and supportive partnerships between managers and Team Members. We were honored to be recognized as a 2013 Best Company for Hourly Workers by Working Mother magazine. Across our company, we have a variety of positions, programs and scheduling options available to help Team Members balance their work lives with their personal lives and responsibilities. Whether it’s a student, a parent or someone with a unique schedule, many of our positions have customizable schedules that allow Team Members to work from home, share duties or set their own hours. Many of our hotel positions have set hours; however, we make it our policy to personally work with all Team Members on a case-by-case basis to ensure they have the time they need to balance their work with their family, friends and personal obligations.” (Cr.hiltonworldwide.com, 2014)

“Most of our call center agents may work from home offices, allowing for schedules that are flexible to meet the needs of the agent. The program was launched in early 2007, and the work-from-home agents now make up almost 81 percent of our total agent population. We believe the success and appeal of the program are reflected in relatively low overall turnover in our call centers,

averaging below 30 percent for the last three years.” (Cr.hiltonworldwide.com, 2014)

“Travel is a deeply enriching experience, and we encourage our Team Members, franchise partners and their families, to take full advantage of the travel benefits offered by our company. Thanks to our Team Member Travel Program, all full-time and part-time Team Members, franchise partners and their families are eligible for discounted hotel nights for leisure travel at all of our locations worldwide. Participants at all levels of the organization experience the same benefits. In 2013, over 1 million rooms were booked using this benefit. Almost 500,000 Family Plan rooms were also booked, allowing participants to enjoy more personal time with the people who mean the most to them.” (Cr.hiltonworldwide.com, 2014)

“With more than 74 million* unemployed youth around the world and a growing need for talent within the hospitality industry, a focus to bring the two together is a natural fit for us. Today’s young people are our next generation of Team Members, guests and franchise partners.” (Cr.hiltonworldwide.com, 2014)

“In 2012, we launched a partnership with the International Youth Foundation (IYF) to improve the well-being of youth around the world and address the unemployment crisis. Our partnership is designed to provide the growing number of young people in developing communities around the world with access to life skills, education and employment opportunities within the hospitality industry. In further support of the partnership, our CEO joined IYF’s Board of Directors.” (Cr.hiltonworldwide.com, 2014)

“At the 2014 World Economic Forum’s Annual Meeting, Hilton Worldwide announced our global “Open Doors” commitment that aims to impact at least 1 million young people by 2019 by helping them to reach their full potential. This commitment focuses Hilton’s efforts in three ways: Connecting them to the world of travel by enabling them to experience new cultures, contributing to the improvement of the sustainability of the industry and shaping their future with opportunities in our expansive supply chain. Preparing them for success in the

world of work, travel and beyond by supporting their basic needs and developing their life and professional skills with mentorships, apprenticeships and Hilton Worldwide's innovative career awareness program, Careers@HiltonLive and employing them across all divisions of the business at our 4,202 owned, managed and franchised hotels worldwide as well as our corporate offices." (Cr.hiltonworldwide.com, 2014)

Like the other two case study companies, Hilton Worldwide does not use the term Situational Leadership. The issues that are most often addressed in the company's statements about leadership are diversity, inclusion and education. In today's world where globalisation becomes more and more of an issue, companies are forced to start opening themselves up to diversity, so facing that issue head on and making diversity and inclusion two of the company's main objectives shows a good understanding of today's business world, especially in the hotel industry. Opening the company up to the diversity of cultures and personalities also means focusing on skills, talent and potential instead of focusing on only employing a certain kind of people all of whom require the same leadership style. In other words, opening the company up to diversity also means opening the company up to the concept of Situational Leadership.

TABLE 4: Leadership and motivation at Hilton Worldwide

	Leadership	Motivation
+	<ul style="list-style-type: none"> - Diversity when it comes to employees → Situational Leadership 	<ul style="list-style-type: none"> - Education - Inclusion - Opportunity to work abroad - Feedback - Work-life balance - Health related benefits - Morality
-	<ul style="list-style-type: none"> - Clear hierarchy - Conservative leadership style → Mainly one-way communication from leader to followers → No open door policy - Directing as the main leadership style 	<ul style="list-style-type: none"> - Strict hierarchy makes it difficult for employees on lower levels to share their ideas & concerns

Providing education to employees and co-operating with educational institutions in order to find talented future employees for the company also provides the company with an advantage over companies that are not involved in education-related activities and is therefore a good example of efficient leadership at the top of the company. Providing employees with the possibility to further education benefits a company in two ways: Their employees become more competent, and the fact that they are invested in also raises their motivation and their dedication to the company. Co-operating with educational institutions helps the company add young talented people to their team whom the company otherwise probably would not have found. There are uncountable companies that graduates can apply to, and as many students might agree, it is difficult to decide what company to apply

to. By co-operating with universities and colleges, Hilton Worldwide raises the awareness of the possibility to work at the company among students which can have an impact on their future choice of workplace, and by co-operating with the teaching staff the company gets a detailed overview of the students' skills and talents.

Before going to work abroad Hilton Worldwide's employees receive cross-cultural training which addresses the challenges they face abroad and provides targeted information and coaching. Coaching is a leadership style that is high directive and high supportive. Going to work abroad is professionally and personally challenging, as there are many new things to be learned in order to succeed at work in a foreign environment, and moving abroad is also a significant change in a person's personal life. That makes coaching a good leadership style for the situation, because the high directive and supportive behaviour of the leader in that situation addresses the professional as well as the personal challenges a follower is going through when moving abroad for work. That proves that at least in this case, Hilton Worldwide successfully applies Situational Leadership.

Unlike H&M and Google, the general leadership style at Hilton Worldwide seems to be more conservative: There is no mention of an open culture or an open door policy, and judging from the statements it can be concluded that there is a clear hierarchy, and a defined distance between leaders and followers. That means that leaders are likely to be above their teams, not part of them. Instead of regular open discussions, employees fill in surveys every year where they can express their opinions by answering pre-designed questions. One problem with this process is that those questions leave no room for explanations or suggestions, as they are usually answered by choosing yes, no, or a number on a scale. Another problem is that the pre-designed questions might not even mention the issues that employees would like to talk about. One recommendation for Hilton Worldwide would be to move away from the surveys and questionnaires and introduce either an open door policy or regular either weekly or monthly meetings where every employee gets the possibility to address possible issues. "Townhall-style" meetings led by the CEO and regular newsletters are also proof, that information mostly goes from the top of the company down the hierarchy, and seldom the

other way around. And the company's global Performance Management Review process also suggests a hierarchy where the general leadership style features constant high directive behaviour. While a clear hierarchy, where leadership is mainly about giving directions, has been the main structure of many companies for a long time, the trend has gone to a flatter structure, where the main objective of leadership is not only to direct, but to two-way communicate with followers and work in teams. That kind of leader-follower relationship is much more functional and beneficial for companies, as it allows a greater level of creativity resulting in faster development of ideas that are thought through by more people and therefore faster and more efficient development of the companies. Though the leadership of Hilton Worldwide is well thought through and has many positive aspects, and the company partly applies Situational Leadership when it comes to coaching in certain situations, the company could benefit from a more modern, flatter structure. One hint that the company is trying to develop into that direction is the following statement: "Managers encourage team members to share their ideas, objectives, goals and concerns, and offer regular feedback and coaching on performance throughout the year. Talent reviews take place at every level of the organization, using a common process and templates to ensure fairness and alignment." (Cr.hiltonworldwide.com, 2014) The fact that managers encourage employees to share their opinions shows that the leaders of the company have an understanding of how important those opinions can be for the development of the company. Letting the company structure of Hilton worldwide develop from the conventional hierarchy to a more modern one might play a role in achieving a part of the company's mission: being the first choice of team members. Letting leaders be part of their teams in a flatter company structure would also do justice to one of the company's value statements: "We're team players in everything we do". (Cr.hiltonworldwide.com, 2014) With the current hierarchical company structure of Hilton Worldwide, that value seems to apply to the company's corporate partnerships, but not necessarily to the relationships between leaders and followers at the company.

A good way to push the development of the company's structure into a more modern one further is to start using the whole concept of Situational Leadership as a first step, as it lets leaders move away from their old main leadership styles

which are directing and the occasional coaching, and introduces two more leadership styles that might be more appropriate in certain situations: supporting and delegating. By introducing the concept of Situational Leadership, leaders are forced to move towards a more open communication style, two-way communication between leaders and followers, as determining an employee's development stage and the appropriate leadership style requires the leader to know the employee, and that again requires two-way communication. As a result, the realisation that that kind of leader-follower communication is required opens the way for a more modern company structure, where leaders are active parts of their teams and it is common for employees on all levels to be included in the company's development by sharing their ideas, opinions and concerns.

When it comes to motivation, the company Hilton Worldwide mainly focuses on education and the opportunity to learn and as a result success building a career as motivational factors. That motivational factor is relevant for current as well as possible future employees. Hilton Worldwide also offers the possibility to work flexible hours, so that people in different situations in life or special schedules can continue to work and have a reasonable work-life balance. That attracts people to the company, but it also promotes the dedication of current employees to the company, especially when they have been in difficult life situations and benefitted from the possibility to adjust their working schedule themselves. In addition to that, leaders are supposed to give feedback to their followers and show their appreciation regularly. That is a relevant motivational factor for current employees, as by receiving feedback they know that their leader pays attention to their work, and positive feedback and the leader expressing appreciation has a positive impact on their motivation. Another motivational factor that is relevant for current and possible future employees is that the company offers health related benefits that vary from country to country. Besides being a motivational factor for employees, offering health related benefits, for example gym memberships, comes back to the company in a good way, as the employees that receive these benefits are and stay healthy and in good shape, which has a positive impact on the amount of sick leaves, but also their overall performance at work.

The fact that the company strongly promotes diversity and has several projects that have a moral background like the partnership with the International Youth Foundation with the aim to reduce unemployment of young people and partnerships with other foundations attracts morally oriented people to the company. As Hilton Worldwide promotes diversity among its employees, leaders at the company should take differences in background and culture into account when looking for the right way to motivate individual employees.

Finally, Maslow's theory will also be applied to Hilton Worldwide's strategy to motivate its employees. Like with the other two companies, there can be assumed that employees at Hilton Worldwide receive reasonable salaries that allow them to fulfil their basic needs for food and security. The fact that the company offers its employees health-related benefits also contributes to fulfilling another basic need: security of health. The company structure of Hilton Worldwide is less team and socially oriented than the structures of the other two case study companies. But the cultural diversity among Hilton Worldwide's employees is socially stimulating, and there will always be a social aspect to working together with other people. That allows employees at the company to partly satisfy their social needs through work. When it comes to self-actualisation, Hilton Worldwide offers employees plenty of possibilities: Education, working abroad, talent reviews and the possibility to shape the work schedule according to personal needs.

4.4 Summary and comparison

To start, it has to be said that it is very difficult to find public company-specific leadership style-related information. None of the case study companies publicly mentions Situational Leadership in their documents or on their websites, which is logical, as information related to leadership styles and other company-specific internal procedures might be key factors for the company's success and is therefore kept private. That does not necessarily mean that they are not applying the concept in one way or another, and at least Google's statements allow the assumption that the company is successfully applying Situational Leadership, and Hilton Worldwide also applies Situational Leadership in certain situations.

TABLE 5: Recommendations

Company	Recommendations
H&M	- Introduce other leadership styles in addition to delegating - Focus on skills instead of personality traits when choosing future Employees
Google	- Offer and emphasise the possibility to work flexible hours
Hilton Worldwide	- Move to flatter company structure - Introduce weekly or monthly meetings where all employees have the possibility to address possible issues

Table 5 above shows recommendations for each of the three case study companies based on the case-specific findings. The first recommendation for H&M is to introduce other leadership styles into the company's daily operations in addition to the company's main leadership style delegating. Utilising other leadership styles in addition to delegating also allows the company to implement its second recommendation: to focus on skills and potential instead of personality traits when choosing future employees. The recommendation for Google is to offer and emphasise the possibility to work flexible hours. Google offers free-time activities at the workplace, which encourages employees to spend their free-time there. When Google's employees spend a lot of their free-time at work, they can damage their relationships with their families and friends outside the company. Google can prevent that to happen by making it clear to its employees that even though they have the possibility to spend their free-time at the workplace, they also have the possibility to make room for their families and friends outside the company. The first recommendation for Hilton Worldwide is to move away from the hierarchical structure and towards a flatter company structure. In a flat company structure, it is easier for leaders and followers to get to know each other, which enables leaders to apply different leadership styles and motivational techniques more accurately. The second recommendation for Hilton Worldwide is to introduce weekly or monthly team meetings where all employees have the possibility to talk about issues or problems and to introduce their own ideas.

When it comes to industry-specific differences, the biggest and most significant difference that was discovered is, that companies in industries that are based on creativity like H&M in the fashion industry and Google in the technology industry tend to have a flat, modern company structure and an open culture while companies in industries that don't rely on creativity like Hilton Worldwide in the hospitality industry tend to still have the more old-fashioned hierarchical company structure and a less open culture with stricter rules. In flatter company structures, the bonds between leaders and followers are usually closer than the bonds between leaders and followers in a company with a hierarchical structure. That means that leaders and followers have a better chance of getting to know each other in companies with flat structures than they have in companies with hierarchical structures. As the successful application of Situational Leadership requires leaders to know their subordinates, applying Situational Leadership is easier in companies with flat structures.

Another difference that has been found is that H&M in the popular fashion industry prefers to employ people with certain personality traits while Google in the technology industry where most job descriptions require good technical knowledge focuses on the skills and potential of future employees. This phenomenon could have multiple reasons. One possible reason is that H&M has a bigger choice of potential employees than Google, which allows H&M to pick their employees carefully while Google does not have that option because fewer people have the skills that the company is looking for. Another reason might be that the companies simply have different opinions when it comes to choosing the people they want to employ. The viewpoint on that matter promoted in this thesis is that every company can benefit from diversity in personalities and backgrounds, because employees with different personalities and backgrounds bring different opinions and point of view to questions of development, which can be very beneficial.

One thing that all three companies have in common is that they all listed offering good work environments as a motivational factor. Another motivational factor that all of the three companies offer is the possibility for all employees to share their opinions and ideas regularly, even though each company does it in a different way. H&M and Google give their employees the possibility to share their opinions

and ideas through personal interaction with their leaders while Hilton Worldwide does it through annual questionnaires. That is another factor that shows that the structure of Hilton Worldwide is still very hierarchical while the structures of H&M and Google are more modern. When giving employees the possibility to speak their minds, personal interaction is far more effective than surveys and questionnaires. Hilton Worldwide is the company that publicly lists the most motivational tools of the three case study companies, and the only company out of the three that lists education and flexible hours as motivational factors. The fact that the other two companies do not mention those motivational factors in any of their published documents does not necessarily mean that they do not use them. Hilton Worldwide might have chosen to publish their motivational techniques in order to attract new employees while H&M and Google might have decided not to reveal their motivational techniques to competitors.

When it comes to Maslow's motivational theory, all three companies manage to satisfy their employees' basic needs and some of their social needs and also manage to offer their employees the possibility for self-actualisation to some extent. Therefore it can be concluded that successful multinational companies know which of their employees' needs they have to satisfy in order to keep their motivation on a sufficiently high level.

5 CONCLUSION

Applying the situational leadership theory successfully is a good way of becoming a good leader. The theory breaks the concept of leadership down into different steps, explains each of them and therefore makes it easier to improve one's leadership skills effectively. It also proves that leadership skills can be learned. People do not need to be "born leaders" to be able to successfully perform in a role that includes leadership. Even people who are not naturally comfortable in the role of a leader can learn leadership skills, and with their skills also improve their confidence and their comfort in their role as a leader. And even people who are naturally comfortable as leaders still benefit from learning theoretical leadership skills which will make their leadership not only charismatic, but also technically more effective.

It is very important for companies to have good and effective leaders, as good leadership contributes to keeping employees happy, which influences the way they speak about their work and the companies. This again leads to people getting a positive image of the companies, which makes it easier for the companies to get new employees with skills they are looking for who might just be the addition they needed in order to get more successful. In addition to that, the positive image of the companies even makes it easier for them to find other companies willing to close deals with them or partner up.

Situational Leadership is a concept that is very useful to help improve the performance and further the development of every company, even the already successful ones. And introducing Situational Leadership into its daily operations cannot do a company any harm if done in the right way. It can only have a positive impact on the development of the company's employees and as a result also the company's development.

When it comes to motivation, the case study companies prove that leaders of successful companies have understood which of their employees' needs need to be satisfied through work in order to keep them motivated. There is a wide

selection of motivational tools that leaders can use, and what tool works best always depends on the situation and the personality of the employee in question. As motivated employees are the core asset of every company, it is important for every leader to have a good understanding of the motivational tools at hand and when to use them.

In the end, what it comes down to when a leader wants to successfully lead and motivate his followers is that he has to know them. While knowing leadership and motivation in theory is the foundation of being a successful leader, knowing one's followers plays a role that is just as important as the theoretical part. In order to be able to apply the leadership and motivational theories in the most effective way, a leader needs to know his followers' personalities, cultural backgrounds and development levels. The best way for a leader to get to know his followers is through frequent personal interaction with them, which is easily achieved when the leader makes himself part of his team.

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