

Semesteroppgave i OADM1001

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Motivation in organizations.

"Management means helping people to get the best out of themselves, not organizing things." (Lauren Appley)

Research question: What can managers do to motivate employees at work?

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1. Introduction.

Motivation is the activation of goal-oriented behavior. Workers in any organization need something to keep them working. If no motivation is present in an employee, then that employee's quality of work or all work in general will deteriorate.

At lower levels of Maslow's hierarchy of needs, such as physiological needs, money is a motivator, however it tends to have a motivating effect on staff that lasts only for a short period. At higher levels of the hierarchy, praise, respect, recognition, empowerment and a sense of belonging are far more powerful motivators than money, as both Abraham Maslow's theory of motivation and Douglas McGregor's theory X and theory Y demonstrate.

I made motivation in organizations a main subject of my work, because motivation is a powerful tool in the work environment that can lead to employees working at their most efficient levels of production. The research question is: what can managers do to motivate employees at work?

Human Resource managers around the world rarely agree on the best way to motivate staff at work. However, the problems that can arise when staff is unmotivated ensure this will continue to occupy a great deal of managers' time and attention.

For my work I have chosen airline company Ryanair and its problems with motivating staff. The reason for this choice is that Ryanair has a very controversial reputation: in one hand Ryanair is known for its low salaries and high staff turnover, in another hand- there are still a lot of young people that are willing to work for this company.

2. Background.

Ryanair is an Irish low-cost airline. It is Europe's largest low-cost carrier, the 2nd-largest airline in Europe in terms of passenger numbers and the largest in the world in terms of international passenger numbers. [5][6]

Ryanair was founded in 1985 by Christopher Ryan, Liam Lonergan (owner of Irish Travel Agent, Club Travel) and noted Irish businessman, Tony Ryan (after whom the company is named). [7]

In 1991 Michael O'Leary came to Ryanair as a deputy chief executive. Under O'Leary's management, Ryanair further developed the low-cost model originated by Southwest Airlines. [8] European consumers would attribute the birth of ancillary revenue and penny tickets to Europe's largest low fare airline. O'Leary may have described the inauguration of the ancillary

revenue movement during a 2001 interview in *The Sunday Times*: “The other airlines are asking how they can put up fares. We are asking how we could get rid of them.” [9]

The unorthodox business model envisioned by O’Leary uses receipts from on board shopping, internet gaming, car hire and hotel bookings to replace the ticket revenue from selling airline seats. His radical idea catalyzed an industry-wide trend to coax more revenue from the profit-challenged airline business.

The main principles of low-cost airline model are:

1. No frills.
2. Use of small regional airports.
3. Point-to-point-service.
4. A standardized fleet.
5. Maximize aircraft utilization.
6. Result- lowest fares.
7. Minimize number of delayed flights and lost bags.

Despite of the fact that Ryanair is one of the most popular air companies in Europe, it has been criticized for many aspects of its customer service. *The Economist* describes Ryanair the following way: “What has made Ryanair so disliked, even by customers who continue to fly with it, is [...] the cavalier treatment of passengers left stranded by flight cancellations and the yelling of obscenities at people who, in sometimes tragic circumstances, make the mistake of asking for a refund have given Ryanair a deserved reputation for nastiness”. [10]

A lot of Ryanair’s customers complain about low level of service and staff’s inattention and rudeness. But what can make staff acting roughly and impolitely?

As long as motivation has a huge influence on the quality of work, I would suppose that the employees of Ryanair have some certain motivation problems.

In addition to customers’ complains about staff’s inattention, there is one more sign which points out at employees’ motivation problems: high staff turnover, especially among junior pilots and cabin crew.

On the other hand, there is still considerable amount of young ambitious people that are willing to work for this company, which means that working for Ryanair has its advantages.

In the next sections, I will try to determine what is motivating Ryanair employees to work and what is negatively affecting their motivation.

3. What is Motivation?

A simple definition of motivation is the ability to change behavior. It is a drive that compels one to act because human behavior is directed toward some goal. Motivation is intrinsic (internal); it comes from within based on personal interests, desires, and need for fulfillment. However, extrinsic (external) factors such as rewards, praise, and promotions also influence motivation. As defined by Daft (1997), motivation refers to "the forces either within or external to a person that arouse enthusiasm and persistence to pursue a certain course of action". [11]

3.1 Maslow's theory.

The existential psychologist Abraham Maslow (1954) developed one of our most influential theories about needs. He started with the notion that people are motivated by a variety of wants, some more fundamental than others. Maslow grouped human needs into five basic categories, arrayed in a hierarchy (with self-actualization at the top):

1. Physiological (need for oxygen, water, food, physical health, and comfort)
2. Safety (to be safe from danger, attack, and threat)
3. Belongingness and love (need for positive and loving relationships with other people)
4. Esteem (needs for feel valued and value oneself)
5. Self-actualization (needs to develop to one's fullest, to actualize one's potential)

In Maslow's view, basic needs for physiological well-being are "prepotent"; they have to be satisfied first. Once lower needs are satisfied, individuals are motivated by higher needs of belongingness, esteem, and self-actualization. (Bolman and Deal, 2003: 117) [1]

Many academics are skeptical about Maslow's theory. Nevertheless, Maslow's view is still very influential among managers. This is, for example, the advice that the *Manager's Guide* at Federal Express offers employees: "Modern behavioral scientists such as Abraham Maslow... have shown that virtually every person has a hierarchy of emotional needs, from basic safety, shelter, and sustenance to the desire for respect, satisfaction, and a sense of accomplishment. Slowly these values have appeared as the centerpiece of progressive company policies, always with remarkable results" (Waterman, 1994, p. 92, as quoted in Bolman and Deal 2003: 118) [1]

3.2 Theory X and Theory Y.

David Swanson's professor, Douglas McGregor (1960), built on Maslow's theory by adding another central idea: manager's assumptions about people tend to become self-fulfilling prophecies. McGregor argued that most managers harbor "Theory X" assumptions, believing that subordinates are passive and lazy, have a little ambition, prefer to be led, and resist change. Most conventional management practices, in his view, have been built on either hard or soft versions of Theory X. The hard version emphasizes coercion, tight controls, threats, and punishments. Over time, it generates low productivity, antagonism, militant unions, and subtle sabotage- exactly the conditions that Swanson found at Procter & Gamble in the 1950s. Soft versions of Theory X try to avoid conflict and satisfy everyone's needs. The usual result is superficial harmony with undercurrents of apathy and indifference. McGregor's point key was that hard or soft Theory X approach is self-fulfilling: you treat people as if they're lazy and need to be directed, they conform to your expectations. (Bolman and Deal 2003: 118) [1]

Theory Y's key proposition is that "the essential task of management is to arrange organizational conditions so that people can achieve their own goals best by directing their efforts toward organizational rewards" (McGregor, 1960, p. 61). If individuals find no satisfaction in their work, management has little choice but to rely on Theory X and external control. Conversely, the more managers align organizational requirements with employee self-interest, the more they can rely on Theory Y's principle of self-direction. (Bolman and Deal 2003: 119) [1]

4. Ryanair's currently motivation problems.

As I said earlier, Ryanair has extremely high staff turnover, especially among young pilots and cabin crew. According to an independent web-site www.ryan-be-fair.org a huge amount of Ryanair employees feel themselves undervalued. They work for many hours without a break, which makes them exhausted and influences quality of their work. The result of bad working arrangements is that cabin crew gets tired and can not deal nicely with the passengers.

One more aspect which negatively affects employee's work motivation is that they need to pay for the training courses, crew meals and even their own uniforms. As the polls indicate, most of the employees consider this improperly.

In addition to everything said before, Ryanair staff gets very bad paid. A lot of Ryanair employees think that the situation is unfair: they work long hours, have no breaks and don't get anything in return.

Over and above, workers are not allowed to get into Unions which also causes high staff turnover and creates a bad reputation for the company.

www.ryan-be-fair.org is one of the few sources where Ryanair employees have a public voice. Here are some of the messages written by them:

"I really hope for Ryanair and all my cabin crew colleagues that everything will become good for us. I really want to leave the company to go for a longhaul company which has better contracts and a safe system that includes insurance, pension, etc. Ryanair is abusing us the same way they abuse their passengers. I feel so guilty to be forced to be one of the executors that are ripping off the passengers' money every day! Please help us!"

-Employee, Germany

“Ryanair does not care about its cabin crew and just takes the most they possibly can squeeze out of us. After a twelve hour day without a break, I do not have the energy to be nice to passengers or check that my nail polish is still on. Come on Ryanair start valuing what we do because without us you could not fly”.

-Employee, Great Britain

5. What is motivating Ryanair employees?

The situation described above doesn't look good. But why there are still a lot of young, educated, ambitious people that are willing to work for Ryanair?

To find it out I took an interview from one of the Ryanair employees, Mark John Puglisi. Mark is 24 years old; he's one of the Ryanair cabin crew since March 2009.

I asked Mark why he decided to work for Ryanair and what is motivating him at work. Here is his answer:

“It's just the fact of flying! Working with people, doing a job which not many people do... It's the life style... It's because you travel much when you are off... Places seem to be close because you used to fly... The authority you have on board... The people you get to meet
And in Ryanair it's all young people so you have loads of fun at work! I love our team and I'm not willing to switch the company!

My dream came true: I have possibility to live in many different countries and get to know many cultures.”

As we see, there are not just negative sides of working for Ryanair. There are for sure many benefits as it is evidenced by the company's popularity among young people. It means that Ryanair has a good framework for improving its current work situation.

6. What can managers do to motivate employees at work?

6.1. Hire the right people.

Successful companies know exactly what they are looking for. They are very selective and hire just those people who will fit the team and be right for the company. Can not help but notice that successful firms usually have a good reputation, and prospective employees consider it a big privilege to become a part of such firms. So if a prospective candidate went through a high competition and got the desirable position, his motivation of working for this company will be unbelievably high.

It is a significant aspect that high staff turnover is negatively affecting the reputation of Ryanair company. In turn, the result of this bad reputation is that less people have motivation to apply for a job position at Ryanair. In addition to, those selected people don't feel that it is a privilege to be selected, and as a result they don't have a high working motivation.

In their book "Reframing organizations: artistry, choice, and leadership" Lee G. Bolman and Terrence E. Deal give an example of how widely know airline company Southwest Airlines is dealing with staff selection:

"Southwest Airlines became the most successful firm in its industry by hiring people with positive attitudes and interpersonal skills, particularly a good sense of humor (Farkas and De Backer, 1996; Labich 1994; Levering and Moskowitz, 1993). The word is out, and enthusiastic applicants clamor for jobs at Southwest. The airline can be selective, with well over a hundred applicants for every job opening. A group of pilots applying for a job were asked to change into Bermuda shorts before hiring interviews. One pilot refused. He did not get a job at Southwest." (Bolman and Deal, 2003: 137) [1]

6.2. Investing in people.

Many successful organizations have embraced creative and powerful ways to align individual and organizational needs. All these reflect the human resource frame's core assumptions by viewing the workforce as an investment rather than a cost, Pfeffer (1998) and Waterman (1994) argue that pervasive characteristic of high-performing companies is doing a better job of

understanding and responding to the needs of both employees and customers. As a result, they attract better people who are motivated to do a superior job. The downward spiral now takes a more positive upward spin. (Bolman and Deal, 2003: 129) [1]

Of course, Ryanair is “no frills” airline. Perhaps, the employees are being treated in accordance to this “no frills” concept. There is one thing which not just manager of Ryanair, but all the manager in general should keep in mind: when you invest in people, you will get much more in return.

6.3. Follow Theory Y.

In section 3.2 I was speaking about Douglas McGregor’s Theory XY. In my opinion, it is very important for a manager to follow the concepts of Theory Y.

- People don’t need a total control; they usually accept responsibility and even seek for it.
- It is as natural for an individual to make effort in work, as it is to play or rest.
- Provided people are motivated, they will be self- directed to the aims of organization. An external control and a threat of punishment are not the best ways to make people work.
- All the people have natural talents. A good manager will help people get the best out of themselves, to achieve all their potential. People are eager and able to learn and grow in order to develop personally and professionally.
- Style of management should be “participative”. Employees should feel that “The Boss” is a part of the team as well as themselves.
- Employees should understand and be aware of Company Policy. It may happen that company is currently in the situation of crisis and needs to cut the costs. But it won’t be such a big impact on employees’ motivation, as long as managers clarify the situation for them.
- Job satisfaction is a key for good work motivation. (Materials are taken from "The Human Side of Enterprise" by Douglas McGregor, updated and with new commentary by Joel Cutcher-Gershenfeld, 2006) [12]

The messages of Ryanair employees on www.ryan-be-fair.org testify that managers of the company follow Theory X. It can not but affect staff’s motivation. I would suspect that if the managers of Ryanair switched from theory X to theory Y, they could avoid motivation problems among the employees.

7. Conclusion.

Every employee needs something that makes him or her work. The reasons for working are as individual as people are. But we all work because we obtain something we need from work. Lack of motivation among the employees negatively affects both company and employees themselves. The example of Ryanair company is a proof of that: employees suffer from a lack of motivation- customers complain about poor service- company loses reputation, clients and money. In addition to, because of the low level of motivation Ryanair has extremely high staff turnover, which can not but affect company's work. But there is something managers can do to motivate people at work. As to my mind, there are a few components of creating a strong work motivation. To begin with, it is very important to build a good reputation for the company and hire right people. If company's reputation is good, selected employees will realize that they have been chosen among hundreds and thousands, which will, in turn, have a positive impact on their working motivation. Next thing is keeping the employees and investing in them. Many successful companies understand that if you invest in people, you will always get much more in return. Douglas McGregor saw the key for a good work motivation in following the concepts of so called Theory Y. Theory Y is based on a believe that it is natural for the employees to take responsibility and apply self-control. All the people are talented. A good manager will help people get the best out of themselves, to achieve all their potential. And last but not least- job satisfaction is very important for a good work motivation. Every manager should remember that without employees company can not exist. Thereby it is important to treat the employees nicely and contribute their high motivation.

8. For this essay I was using following sources:

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- 11) “Motivation” from <http://www.enotes.com/business-finance-encyclopedia/motivation>
- 12) McGregor, Douglas, Cutcher-Gershenfeld, Joel E. “The human side of enterprise”. New York: McGraw- Hill, 2006