Czech University of Life Sciences Prague
Faculty of Economics and Management
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Bachelor Thesis

Leadership and motivation

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CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Department of Management
Faculty of Economics and Management

BACHELOR THESIS ASSIGNMENT

Yarovaya Anastasia

Economics and Management

Thesis title
Leadership and motivation

Objectives of thesis

The main aim of this work is to eximine the theoretical background of leadership and motivation and then to adapt it in real life situation.
Main objective is to evaluate level of motivation and leadership approaches in particular company, find potential problems and weaknesses and propose some solutions to eliminate them.

Methodology

To analyze situation of motivation and leadership quantitative method was used. Based on literature review and personal experience , was made questionnaires for the employees, and distributed among them. The obtained results will be analyzed and transformed into graphs and tables.

Schedule for processing

Theoretical part to be mainly completed end September 2012
Survey distribution and collection October-November 2012
Survey analysis November-December 2012
Results, proposals and conclusions December 2012-January 2013
Complete thesis by mid February 2013 ready for proof reading and printing
Delivery mid March 2013

The proposed extent of the thesis

40 pages approx

Keywords

leadership, motivation, management, influence, motivational theories, leaders, managers, motivation factors

Recommended information sources

1) Yukl G., Leadership in Organizations, Prentice -Hall International ,Inc.,, Fith edition 1998, ISBN 0-13-064750-0
2) Puccio G., Murdock C., Creative leadership skills that drive change, SAGE Publications, Inc,. 2007, ISBN 1-4129-1379-9
3)Zaleznik A., Harvard Business Review On Leadership, Harvard Business Press, 1998, ISBN 9780875848839
4) Kotter J., What Leaders Really Do, President and Fellows of Harvard College, 1999, ISBN 0-87584-897-4
5) Buchanan D., Organizational Behaviour, Prentice Hall, Inc., 2004, ISBN 0 273 68222
6) Shockley-Zalabak P., Fundaments of Organizational Communication, Pearson Education,Inc., 2002, ISBN 0-205-45350-3

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Last date for the submission

March 2013

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Prague March 11, 2013

Declaration

I declare that I have worked on my diploma thesis titled "Leadership and motivation" by my self and I have used only the sources mentioned at the end of the thesis.

In Prague on 15th of March　　　　　　　　…………………………..

　　　　　　　　　　　　　　　　　　　　Yarovaya Anastasiya

Leadership and motivation

Vůdcovství a motivace

Summary

The given bachelor thesis focuses on leadership and motivation. It consists of theoretical and practical parts. The theoretical part delineates the conception of leadership and motivation of employees. It is also consists information about major theories of leadership and motivation. The main goal of the practical part is to analyze real situation of particular working group, their satisfaction with leadership and motivation. The research was conducted in the jewelry company Lapis Diamond s.r.o. Based on literature review and personal experience of working in Lapis Diamond s.ro was compiled the questionnaire. Also in practical part was made analysis of the questionnaires and proposed some suggestions for the increase of satisfaction and working performance of the researched employees.

Keywords:

leadership, motivation, motivational theories, leadership theories, motivation factors, leadership factors, satisfaction

Souhrn

Tenta bakalářská práce se zaměřuje na vedení a motivaci. Je složena z teoretické a praktické části. Teoretická část vymezuje koncepci vedení a motivace zaměstnanců. V teoretické částí také složena informace o hlavních teorií vedení a motivace. Hlavním cílem praktické části je analyzovat skutečnou situaci v pracovní skupině, jeji spokojenost s vedením a motivací. Výzkum byl proveden ve šperkařské firmy Lapis Diamond s.r.o na základě přehledu literatury a osobní zkušeností z práce v Lapis Diamond s.r.o byl sestaven dotazník. Také v praktické části byla provedena analýza dotazníků a navrhla několik návrhů na zvýšení spokojenosti a pracovního výkonu zkoumaných zaměstnanců.

Klicova slova:

vedení, motivace, motivační teorie, vedení teorie, motivační faktory, vedení faktory, spokojenost

Table of Contents

1 Introduction

For successful business it is important not only offered goods and or services that satisfy needs and wants of consumers, but also had at its disposal dedicated, enthusiastic employees.

If managers would be able to establish effective communication with employees and build their commitment to the company, it will create all necessary conditions for improving the motivational factors and this, in turn, will benefit the business.

To get from the staff devotional and responsible attitude towards the company, it is not enough only to pay employees a good salary. Competitive labor market requires managers to think more about the social and psychological needs of the employees, that is why it so important to become a true leader and learn how to properly motivate employees.

The bachelor thesis consists of two parts. The first part is theoretical background, which explaines the basic terms, theories of leadership and motivation. The second part is a research in jewelry company, wich was conducted via survey of employees.

2 Aims and methodology

2.1 Aims

The main aim of this work is to eximine the theoretical background of leadership and motivation and then to adapt it in real life situation.

Main objective is to evaluate level of motivation and leadership approaches in particular company, find potential problems and weaknesses and propose some solutions to eliminate them.

Research was made in jewelry company Lapis Diamond Prague s.r.o.

Nowadays manager in business category is one the most popular profession in the world. One of the reason of this fact is public opinion that career of the manager is prestigious, highly paid and does not require special talents and knowledge's. This results unqualified managers in companies, who don't have leadership skills and knowledge how to motivate their employees. This cause huge dissatisfaction of the employees and make negative impact upon the overall performance of the company. It is one of the aims of the research to find out there is not such a tendency in the researched stuff of the Lapis Diamond Prague s.r.o.

The hypothesis of this research is that there will not be any big problems with process of motivation and leadership in Lapis Diamond Prague s.r.o.

2.2 Methodology

To analyze situation of motivation and leadership quantitative method was used. Based on literature review and personal experience (I work in this company as a seller around a year), was made questionnaires for the employees, and distributed among them. The obtained results will be analyzed and transformed into graphs and tables. Also there will be some suggestions for the improvement of the process of motivation and leadership in the researched group, which might help with the hole performance of the company.

3 Literature review

3.1 Definition of Leadership

There is no universal definition of leadership, in spite of growing number of studies on the topic. There are too many ways to look at it.

Yukl Gary in his book "Leadership in organizations" defined *leadership as the process of influencing others to understand and agree about what needs to be done and how it can be done effectively, and the process of facilitating individual and collective efforts to perform the shared objectives.*

This explanation includes efforts not only to effect and facilitate the present work of the group or organization but also to confirm that it is ready to meet future challenges.

Most definitions of leadership show the hypothesis that it includes a process when one person exerts intentional influence over other people to structure, guide, and contribute on activities and relations in organization. [1]

3.1.1 Leadership and Management

Zaleznik A. in his essay "Managers and Leaders. Are They Different?" wrote: «Business leaders have much more in common with artists then they do with managers».

Leadership and management are two distinct and balancing systems of action. Each has its own purpose and standard activities. Both are crucial for success in a progressive and unstable business environment. [5]

«To manage» means «to bring about, to accomplish, to have charge of or duty to conduct.»
«Leading» is «manipulating, directing, influence on action, opinion».
"*Managers are people who do things right and leaders are people who do the right things.*" [2,1]

Management is motivated by proficiency, a focus on mastering routing activities, whereas leadership is inspired by effectiveness. [3]

Managers tend to look at work as an enabling process involving people to establish strategies and make decisions. They help the process along by calculating the interests in opposition, forecasting when controversial issues should surface, and cutting tensions. Leaders work from high-risk positions; indeed they are often temperamentally disposed to seek out danger and risk. [4]

Of course, not everyone can be super at both leading and managing. Some people have the aptitude to become excellent managers but not great leaders. Nowadays companies are looking for both kinds of people and try hard to make them a part of the crew. "*Leadership complements management; it doesn't replace it.*" [5]

That's why leadership can be seen as a component of management. Nowadays it is sometimes even impossible to be successful manager without leadership skills.

3.1.2 Overview of Major Research Approaches

The study of leadership has framed many thoughts and theories. Theories of leadership in management are trying to answer the question, what are most important characteristics of the leader.

Three main theoretical structures have dominated in leadership research at different times: the trait approach (1930s and 1940s), the behavioral approach (1940s and 1950s), and situational approach (1960s and 1970s).

3.1.2.1 Trait Approach

This approach stresses characteristics of leaders such as individuality, aims, values, and abilities. Primary this approach was the assumption that some people are leaders from the birth, who are gifted with this skills.[1]

According to the theory of personal leadership, the greatest managers have a clear set of usual personality traits. Developing this idea, it can be argued that if these qualities could be identified, people could learn how to grow them and thereby become effective leaders.

Over eighty-five years of study has attempted to outline traits or personality characteristics that best forecast the effective leader. List of required traits have numbered about eighty characteristics, but the trait approach has failed to define clearly a steady set of characteristics related to an effective leadership. This approach simply does not give a complete explanation of how leaders cooperate with employees and meet the needs of exact situations. [6, 1]

The most famous theory within the trait theories is the Great Person theory of leadership.

"Great Person theory: a historical perspective, which argues that the fate of societies and organizations is in the hands of powerful, idiosyncratic individuals."[6]

3.1.2.2 Behavioral approach

The behavioral approach has provided the basis for the categorization of leadership styles and behavioral styles. This was a serious contribution and a useful tool to understand the complexities of leadership.

"Behavioral approach – theories that attempt to identify a range of general approaches leaders use to achieve a goal. The approaches are thought to be based on a leader's assumptions about what motivates people to accomplish goals."[6]

Despite the fact that the behavioral approach has propelled the study of leadership, concentrating on the behavior of the leader, who wants to encourage people to achieve the goals of the organization, its main disadvantage is the tendency to assume that there is only one best style of leadership.

A lot or researchers were analyzing the leadership behavior. But the most popular were the *Ohio State Leadership Studies* at Ohio State University and the *University of Michigan Studies* at University Michigan Institute for Social Research.
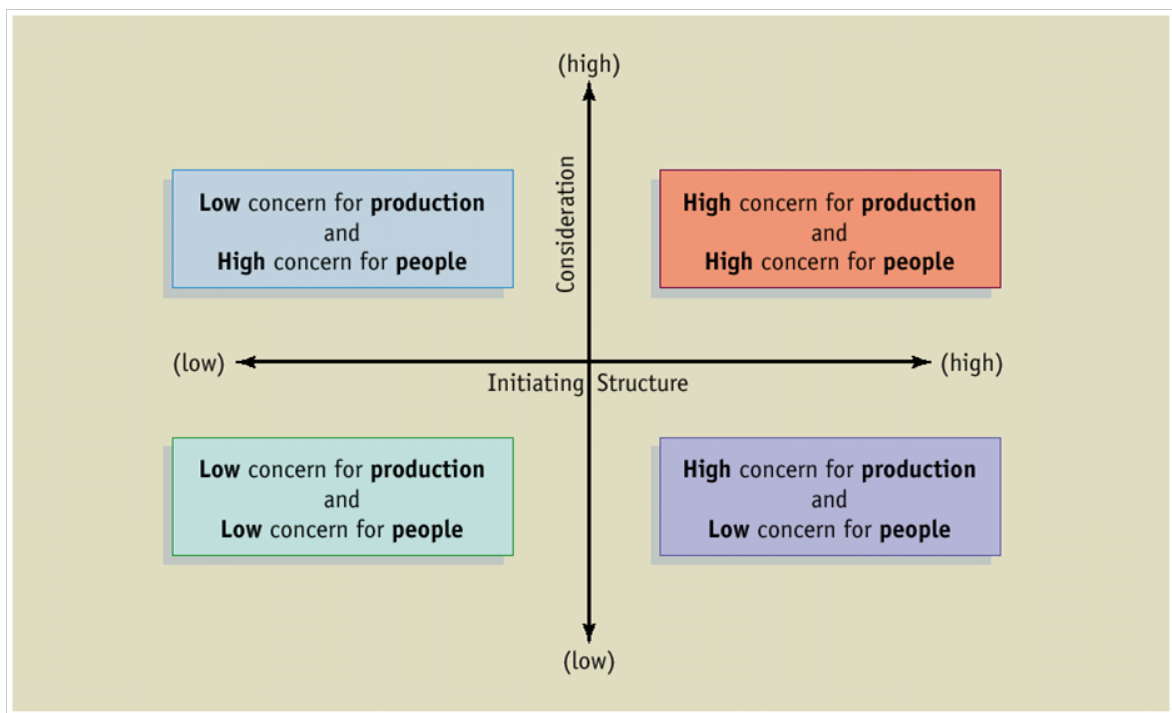
The Ohio State Studies

In Ohio State University scientists were trying to determine behaviors of leaders. A lot of surveys were offered to fill the members of the various companies. Hundreds of people responded to the invitation to complete the questionnaire. The obtained results allowed to divide the behavior of leaders in two categories: consideration and initiating behavior.

1. *Consideration* shows how sensitive is the leader to his/her subordinates, if he/she respects their opinions and feelings, and if leaders emphasize mutual trust.

2. *Initiating* behavior shows how the leader is focused on performance and production of the company and tends to direct the activities of the employees to achieve corporate goals. This type of leadership requires strong control of the employees, detailed planning of their schedule. [6,1]

Figure 1: Initial Structure and Consideration

Source: http://www.studyblue.com/notes/note/n/ch-13/deck/129636, 01.03.2013

On this graph we can see that two behavioral categories are independent from each other. The leader is able to demonstrate low consideration behavior and high extent to use the initiating behavior, or vice versa. He/she can be more concern about production (performance) of the company, than about employees (people), or vice versa. Of course the best situation is when two types of behavior are on high level.

The University of Michigan Studies

In the similar research in Michigan University were also identified two factors of leadership: *employee-orientated and production- orientated.*

1. *Employee – oriented* is a style of behavior, which shows that the leader understands the interests of employees, respect their individuality and take into account their needs.

2. *Production –orientated,* which focuses on operational and technical aspects of the work. [2,4]

Parameters identified in both universities are similar, although the employee-orientated is a broader term than consideration and production-orientated – wider than the initial structure.

In both cases, these parameters should be considered as independent, and not as the opposite points. Leader can be appreciated by both criteria.

3.1.2.3 Situational approach

Neither approaches a personal characteristics or behavioral approach is not able to identify the logical relationships between personal characteristics or behavior of the leader, on the one hand, and efficiency on the other. This doesn't mean that personality and behavior are not important for leadership. On the contrary, they are essential components of success. However, more recent studies have shown that effective management can play a crucial additional factor. These situational factors include *the needs and personality of employees, nature of job requirements and the impact on the work environment, as well as information, which has leader.*

Therefore, the modern theory of leadership turned to the *situational approach. "Situational approach – leadership theories that explore how leaders interact with followers and the requirements of a particular environment. "[6]*

Hersey and Blanchard' situational leadership theory

Paul Hersey and Kenneth Blanchard in 1977 postulated that effectivness of a particular leader was related to the leader's selection of behavior appropriated to the maturity level of the follower group. They saw four general styles of situational leadership: telling,selling,participating and delegating. [6]

Under this theory, a manager can motivate subordinates to achieve the goals of the organization while working towards these goals. Manager can influence on employees by increasing personal benefit of employees while achieving the objectives of this work. Manager can also make a path to the benefit easier, explaining the means of achieving it, removing hindrances and traps, and increasing the opportunities for personal satisfaction on the way to the benefit.

It is important to understand that those approaches of studies in leadership give us just basic structure of leadership behavior. Leadership is a phenomenon that has long been recognized but is not easily defined. The study of leadership has produced a variety of thoughts and theories. Each theory about leadership is accurate under certain circumstances, and as a result, there is not a consensus on a certain theory of leadership.

Leaders generally do not follow just one approach they combine and use them as per their needs and requirements. Important role in choosing style of leadership of course play working groups, which might be very different. In crucial situations, they are more dogmatic in nature as they face the prospect of failure. [8]

3.2 Motivation

A good leader- is a person who can inspire his/her subordinates to work hard and to achieve goals. In principle, any leader has enough opportunities to awake in his/her employees desire to work, in the other words- to *motivate* them.

Motivation - is the process of stimulating and inspiring the individual or group of people to work, to be active, to be initiative.

Human behavior is determined by many *motives* that can stimulate, motivate, guide and strengthen human behavior.

Motives have a tremendous impact on human behavior as a person and his social role. They act in the human mind as a goal, which aims ultimately behavior.

Comprehension of motivation is the key to the explanation of behavior and organized human activity. If a person has the motive to make a certain action, he/she has much more energy and efforts to do it. The existence of motives or motivation causes a person to act and behave in a certain way. [2]

3.2.1 Intrinsic and extrinsic motivation

Intrinsic motivation is determined by the maintenance and magnitude of the work.

Intrinsic motivation - is: a dream, self-realization, ideas, creativity, self-assertiveness, curiosity, and personality growth.

In the work environment internal motivation developing in employees long-term positive attitude to work.

Important ways of management for growth of intrinsic motivation are:

1) *Motivation by example* – be honest in words and actions, everytime improve work, have sequence in the actions.

2) *Motivation by management* methods - clear and open management principles, clear organizational structure, management based on objectives and result.

External motivation depends on the relationship of human with the environment (it can be a desire for reward, avoid of punishment, etc.).
 It is governed by external psychological and material conditions of work.
Person who is motivated only by extrinsic motivation hasn't big interest in his/her job.
External motivation appears simpler than internal motivation.

It is clear that both extrinsic and intrinsic motivation should be bring in to being in order to ensure full satisfaction of employees. [3,4]

3.2.2 Theories of motivation

Different scientists were exploring motivation. There are more than fifty theories which they has provided. But dividing theories in to groups we can talk about process theories and content theories of motivation.

3.2.3 Process theories of motivation

Process theories focus on how we make choices depending on goals we want to reach. They give the individual a mental decision-making role in selecting goals and the ways by which to follow them. [5]

Equity theory

The most important statement of this theory comes from the work of J. Stacy Adams, who claimed that we are motivated to act in situations, which we identify to be inequitable or unfair.

This theory bases explanations of behavior on pictures of social contrasts. Equity theory argues that the more intense the perceived inequity, the higher the tension and the stronger the motivation act.[5,1]

"Equity theory- a process theory which argues that perception of unfairness leads to tension, which then motivates the individual to resolve that unfairness."[5]

This theory has some problems. A number of quantitative and qualitative variables have to be well-thought-out when calculating en equity ratio. Different people use different timescales when calculating fairness; short –term calculations may be different from long-term implications.

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It disregards the wider social and organizational context in two ways. The first concern the basis of our social comparisons, which can be extremely varied. The second way in which equity theory ignores social context concerns the systemic inequities in concerns the systemic inequities in capitalist economies. [5,1,3]

Goal-setting theory

Goal- setting theory has been developed mainly by Edwin A. Locke. He argues that work motivation is influenced by goal difficulty, goal specificity and knowledge of results.

Goal theory has proposed four main proportions which are well supported by research:

1.   *Challenging goals* lead to higher levels of presentation than simple and unchallenging goals.
2.   *Specific* goals lead to higher levels of performance than indefinite goals such as 'try harder' or 'do your best'.
3.   *Participation in goal –setting*
4.   *Knowledge of results of past performance* – feedback is obligatory for effective goal achievement. Feedback has knowledge and is also motivational.

Procedural theories of motivation are considered the most modern theories of motivation, they also recognize the motivating role of needs, however, the motivation itself considered them from the point of view of what causes a person to direct the efforts to achieve various goals. [7,5]

3.2.4 Content theories of motivation

Content theories of motivation are based on the statement that humans have set of native needs or drivers and that these needs or drivers constitute the biological factors of our behavior. Such theories propose that humans are motivated to act in specific way in an attempt to satisfy or fulfill series of innate needs.

Perhaps the best-known content theory of motivation is the hierarchy of needs theory developed by Abraham H. Maslow. [7]

Maslow's theory of needs

The theory proposes that each individual has a series of innate needs. If such needs are unfulfilled then the individual will be motivated to act in an exact way in an attempt to satisfy these unfulfilled needs. [7]

Maslow has proposed five primary needs of human, according to importance to the individual.

Figure 2: Maslow's theory of needs

Source: http://moladi.com/maslow-hierarchy-needs.htm, 01.03.2012

1. *Psychological needs.* These are primary biological needs related to survival, such as hunger, thirst, sleep and sex. Essential to satisfy those needs is base salary and sufficient working conditions.

2. *Safety needs.* This level concerns safety and security. Essential to job security, safe working conditions.

3.*Social needs.* These include friendship, love and companionship. To achieve satisfaction in this level it is important to be friendly, be good supervisor.

4.*Esteem needs.* These needs refer to the equipment to develop and maintain self-respect, respect from others, status and recognition.

5. *Self-actualization.* If the four previous categories are satisfied, the need for self-actualization surfaces. Self-actualization can be defined as the need to satisfy one's potential. [1,7]

Maslow's theory does not account individual differences in the needs, but managers need to be aware that many situational factors (age, gender, experience, nationality, position in the organization, etc.) lead to different manifestations of the needs of employees. Different people have different needs, and if the manager wants to effectively motivate employees, he/she must take into account these differences.

McGregor's Theory of X and Y

Another famous content theory is theory of X and Y developed by D. McGregor. Scientist defined two hypothesizes about behavior of employees, which he called ethics doctrine X and ethics doctrine Y.

Theory X is based on the hypothesis that the standard worker does not like his job, trying to avoid responsibility, and it can be force to work only with strict control and threats. Thus, under the doctrine X employee in the organization is treated as *part of the mechanism.*

Theory Y assumes that the work - it is a natural, desirable and acclaimed type of activity that *does not need a guide from outside*, if the employee is adequately motivated.

McGregor believed that Theory Y is based on the t tolerance and that companies should be organized on this basis. He argues that the theory of X only allows workers to satisfy their basic needs, while the attitude managers to the employees, based on the theory Y, allowing them (employees) to satisfy higher needs, particularly the need for self-actualization.

The principal and main power of the content theories of motivation is that they categorize a motivational stimulus of every individual – their native needs. The main minus of the content theories is that they built on dormant- reaction to native needs and make no assumption for the effect of efficient decisions of the influence of social and environmental factors. [1,3,7]

4 Case study

4.1. Survey of the employees

The main information for the survey of this research was taken from fulfilled
questionnaires of the sales personnel of Jewelry Company Lapis Diamond Prague s.r.o.

4.1.2 Information about researched company

Lapis Diamond Prague s.r.o is one of the most biggest jewelry companies in the Czech
Republic. There are more than ten thousand of jewelry, from gold, silver with different
precious and
Company has been founded in Czech Republic, Prague in 2000.

Picture 1: Lapis Diamond Prague Logo

Source: [http://www.lapisdiamond.cz/main.aspx?lid=2, 10.03.2013]

Building of the company, where is the jewelry store and offices of directors and managers,
situated in Prague 6, Repy.

Picture 2: Lapis Diamond Prague building

Source: [http://www.lapisdiamond.cz/main.aspx?lid=2, 10.03.2013]

Peculiarity of this company is that in addition to individual customers, it has contracts with more than twenty travel agencies across the Europe.

For every group of tourists personnel makes so-called excursion thought the whole shop. Tourists learn information about extraction of stones, manufacture of products, basic information about gold and silver. After this, tourist have limited amount of time (usually it is one hour), to see and buy jewelry.

Lapis Diamond Prague has prestige and long history in the Czech Republic. Everyday tourists from Russia, Spain, Germany, Greek etc., are coming to buy jewelry in the shop. For employees of this company is very important that these international connections guarantee certain level of quality for the working environment.

There are different types of managers in the company, finance manager, marketing manager, personal manger, stock manager, atelier manager and five sales managers. Precisely sales managers are responsible for working conditions, motivation tools etc. of sales personnel.

As usual, the remuneration of the sales personnel depends on the sales they made. From sales they get certain percent. And to the base salary, which is similar everyone, adds this percent. Employees should not tell how much they get to their colleagues.

Implemented benefits

There is a benefit plan in the company, called flexible benefit plan.

"Flexible benefit plan - is an employer sponsored plan under which employees have the option of selecting benefits or cash. Employees can choose which tax free benefits fit their needs, or may instead elect to receive taxable cash payments in lieu of unselected benefits." [https://www.tasconline.com/biz-resource-center/plans/simple-cafeteria-plans/]

In beginning of every year, in open discussion between sales personnel and managers, personnel express their opinion about preferred benefits. After that managers select the most rational ones and makes list of benefits, from which employees can choose. Everyone has his/her own amount of credit. Using credit employees choosing the most appropriate benefits for he/she.

For this year, in the company implemented these types of benefits:

1) Life Insurance
2) Pension funding
3) Paid Holiday and Vacation Time
4) Medical Care
5) Education Assistance Programs

The plus of a flexible benefit plan is that employees have benefits possibilities.

Some other benefits are independent of the flexible benefit plan:

1. Discount from 40 to 80 percent on the whole jewelry. Depending on the collections, (and other factors.)

2. Fifty percent discount on the whole assortment in the cafe, which is located in the building of company.

3. Three times a year company makes social events, which can visit not only employees of the company, but also their families and friends.

There are some another benefits, but they cannot be listed, because it is a confidential information.

Directors and managers of the company care about their stuff, trying to motivate them, using different ways. It seems that tactics of motivating in company are effective because in last two years there wasn't a single employee who leave the company.

4.1.3 Characteristic of researched group

The researched group is sales personnel in the Lapis Diamond Prague s.r.o. Forty-three shop assistants working in the company.
Main responsibilities of the shop assistant are: to provide information about jewelry, to inform customers about discounts, rules and order of payment, write certificate and guarantee on bought jewelry, to package jewelry.
Of course during communication with customers, shop assistance must be courteous and polite, ready to answer all the questions connected with jewelry and services provided in the shop.

4.1.4 Questionnaire

Questionnaire was made based on literature review, and on personal experience. The questionnaire (see " Figure 1" in the supplements) consists of the 20 multiple choice questions.

First four questions in the questionnaire are in the questionnaire to determine the structure of the researched group according to gender, age, length of the employment and level of education in the company. Other 20 questions are to identify level of satisfaction of sales personnel about leadership and motivational factors.
There are four options of answers in the questionnaire: certainly yes, certainly no, probably yes and probably no.

Questions about leadership and motivation factors are mixed, this makes people more attentive and focused on questions.

Because of the same reason, in some cases there were used not questions but statements.

4.2 Analysis of the questionnaires

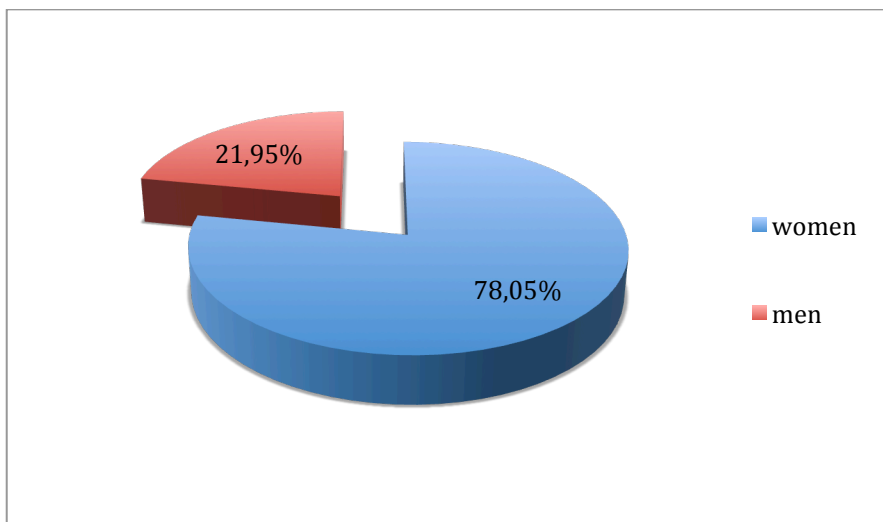*Questionnaire was distributed in the company in printed version.*

It was not a problem6 because I am working there as a seller . Within 4 days 41 questionnaires was fulfilled and collected.

Two employees were on vacation at the time of my research, that's why two surveys missing.

4.2.1 Structure of the group

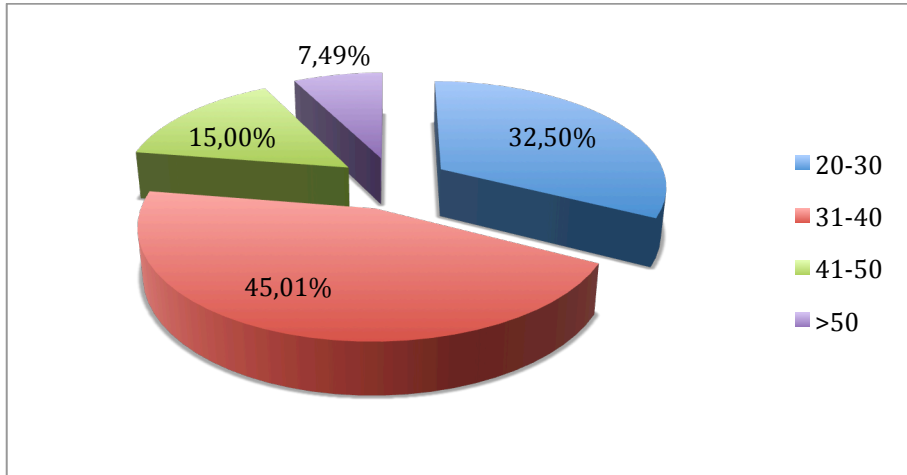According to results of the survey, 78% of the respondents are women, 22% are men.

Figure 3: Gender structure

Source: Own calculation

There is 45,01% in the age category 31-40 years, 32,50% in the age category 20-30 years, 15% in the age category from 41 till 50 and in age category more than 50 there is 7,49%.
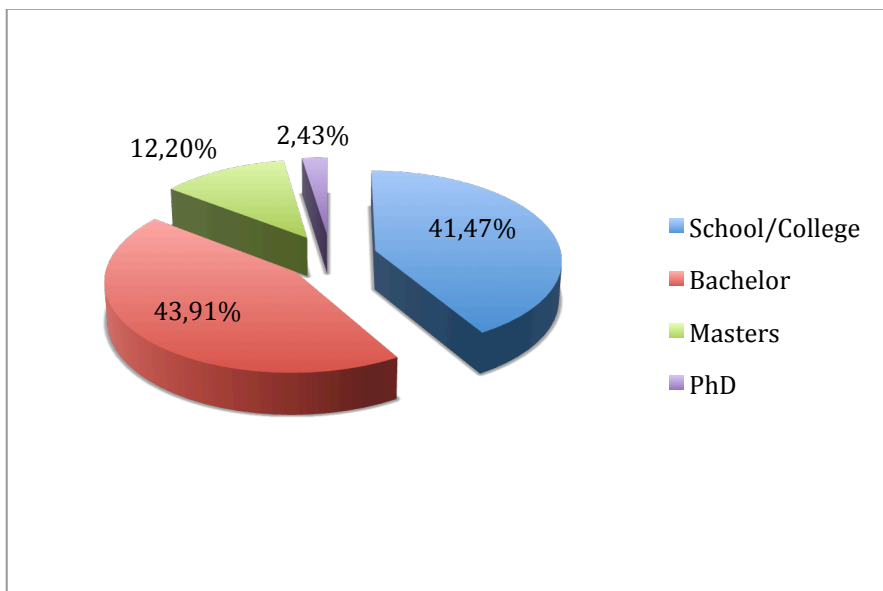
Figure 4: Age structure

Approximately 44% of respondents have Bachelor Degree, 41, 41,47% finished only School or College, 12,20% have Master Degree, and 2,43% have Doctor degree.
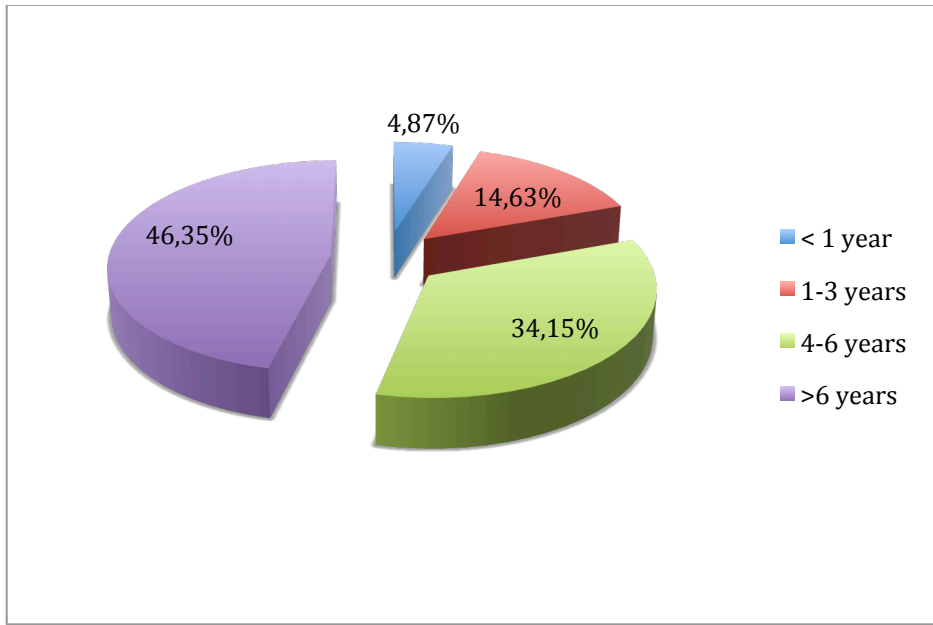
Figure 5: Level of education

The next question was about length of employment. Results showing that majority of employees work in the company more than 6 years (46,35%), 34,15% work 4-6 years, 14,63% work 1-3 years, and less than 1 year work the majority of employees (4,87%).

Figure 6: Length of employment

4.2.2 Analyzing of motivation factors

The next part of the research is analysis of level of satisfaction of researched group with list of motivation factors. The table below shows results of the questionnaire. Factors are ordered from the most satisfactory to the least satisfactory ones. The sequence was defined by the average, which was calculated from four levels of marks:

- *10 – very dissatisfactory*
- *20 – dissatisfactory*
- *30 – satisfactory*
- *40 – very satisfactory*

Figure 7: Analysis of satisfaction with motivation factors

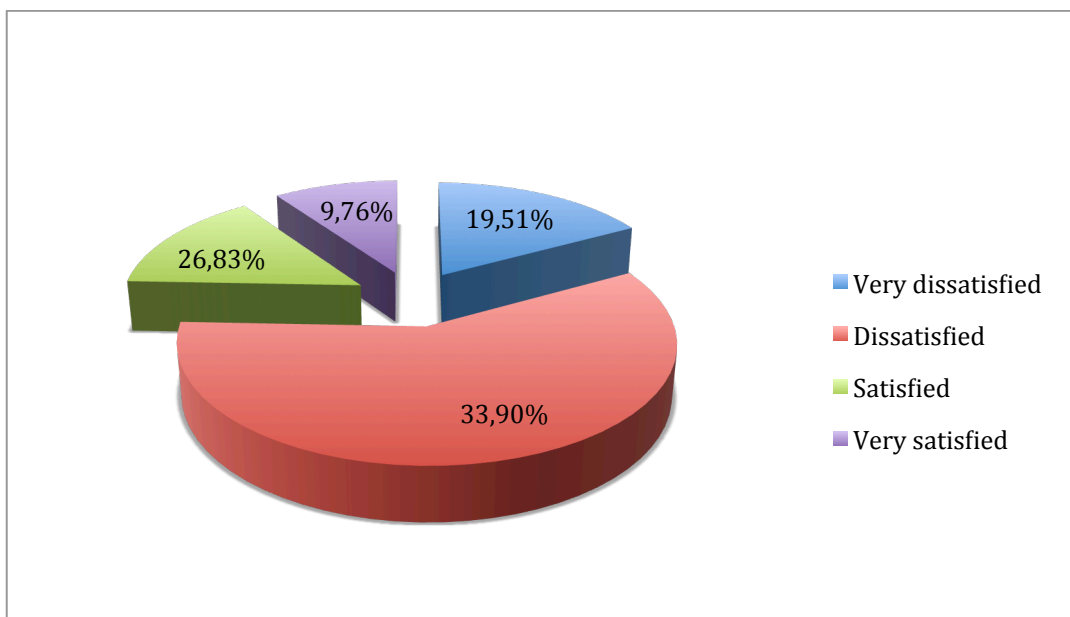|	Factors	Average
1	Working conditions	35,37
2	Implemented benefits	34,39
3	Respect	33,90
4	Working hours	33,90
5	Notification about progress of the company	33,17
6	Work itself	31,95
7	Fair treatment	30,49
8	Personal growth	28,54
9	Salary	25,68
10	Job security	24,71

Source: Own calculations

As we can see, results are fairly optimistic. Generally researched group is more or less satisfied, with motivation in the company. Nevertheless, there are some zones where situation is not so positive. Last two factors are far behind from the others. We will look at them more precisely.

Almost 44% of the sellers are not satisfied with the remuneration in the company. It cannot be confirmed or denied in certain situation, but usually employees underestimate their satisfaction from remuneration. Usually people want more and more money.
As was mentioned before salary of sales personnel not completely but depends from the sales they make, this also can be a reason of dissatisfaction. Instability never attracted people.
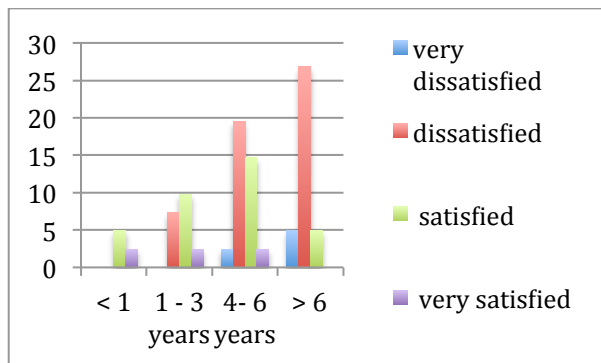
Figure 8: Satisfaction with salary

Pie chart "Satisfaction with salary":
- Very dissatisfied: 19,51%
- Dissatisfied: 33,90%
- Satisfied: 26,83%
- Very satisfied: 9,76%

Source: Own calculations

In order to analyze more question of remuneration was made correlation between satisfaction with salary and length of employment of researched group. Results show that majority of dissatisfied employees are those who work in the company more than six years, while employees who work not so long are generally satisfied.
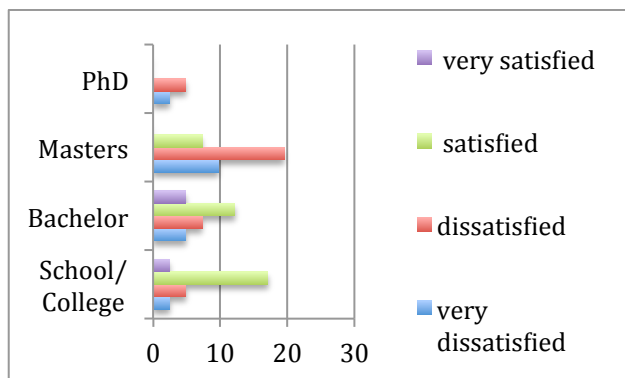
Figure 9: Correlation between satisfaction with salary and length of employment of the researched group

Source: Own calculations

Also another correlation was made, between salary level of education. Results show that employees who are lower educated are generally satisfied, while employees who have Master and Doctor degrees are dissatisfied. This findings would suggest that the lower educated people are happy to receive this lower pay (and may then be quite content to stay with the company long-term), whilst the more highly educated people are dissatisfied and therefore may be more likely to move to a company where they were paid more.
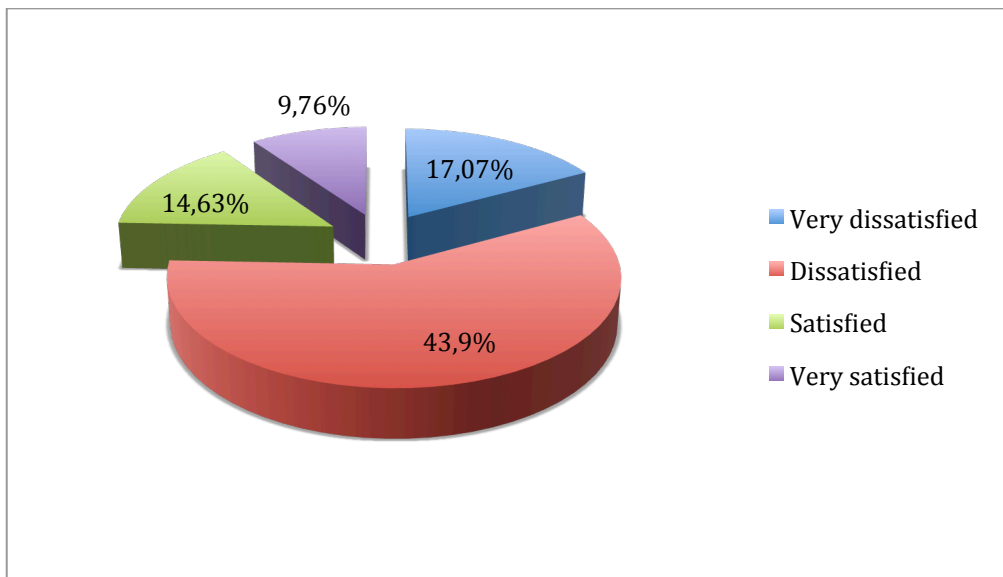
Figure 10: Correlation between satisfaction with salary and level of education of researched group

Source: Own calculations

The lowest average has satisfaction with job security. Almost 60% are not very confident about it. Nowadays, in tough economic times, job insecurity is very common. Unfortunately, companies sometimes just have to fire employees, to stay afloat.

Figure 11: Satisfaction with job security

Source: Own calculations

4.2.3 Analyzing of leadership factors

Another part of the research is analyzing leadership factors of the managers of the company. There are eight managers in the company, there wasn't opportunity to analyze managers individually. However these doesn't affect negatively on research, because managers working as a team. If one component of leadership is missing, other members can fulfill it.

The table below shows results of the questionnaire. Factors are ordered from the most satisfactory to the least satisfactory ones. The sequence was defined by the average, which was calculated from four levels of marks.

- *10 – very dissatisfactory*
- *20 – dissatisfactory*
- *30 – satisfactory*
- *40 – very satisfactory*

Figure 12: Analysis of satisfaction with leadership factors

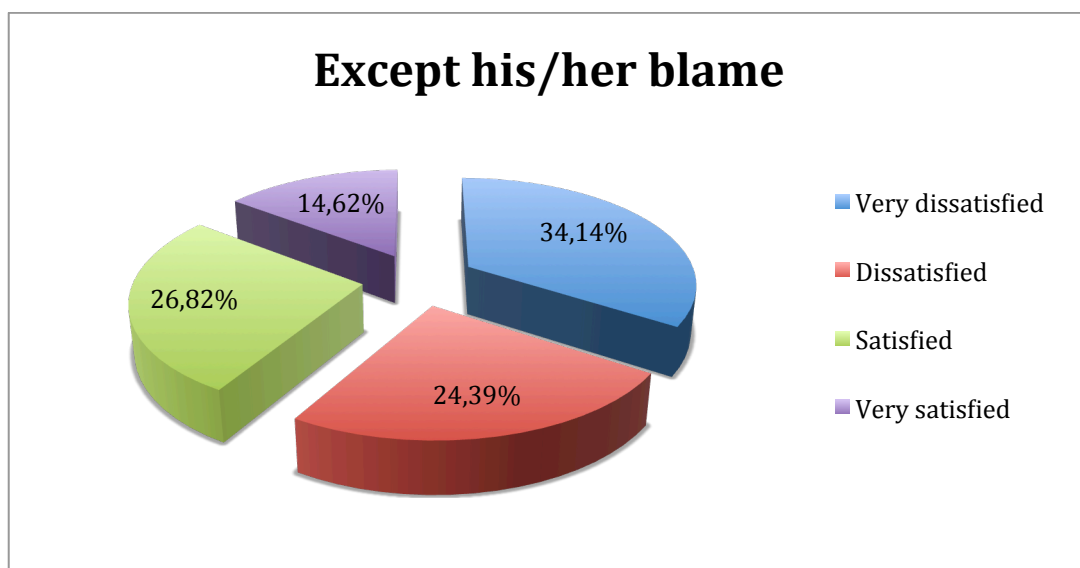|	Factors	Average
1	**Communicative/charismatic**	**35,37**
2	**Recognition of employees**	**33,17**
3	**Clearly indicate objectives/goals**	**31,46**
4	**Listen to ideas**	**30,98**
5	**Inspiring**	**30,49**
6	**Appropriate and praise**	**30,49**
7	**Resolve conflicts**	**30,49**
8	**Natural born leader**	**29,51**
9	**Support/care**	**29,51**
10	**Accept his/her blame**	**24,20**

Source: Own calculations

Apparently, sales personnel is more o less satisfied with the leadership skills of their managers. They perceive managers as communicative and charismatic people. Also employees see that managers love their job, which is very important in order to create positive work environment.

However, there is one factor, which doesn't satisfy personnel.

As we can see on the graph personnel has different opinions if managers except their blame or not. This fact can be a result of not very well coordinated work of managers as a team. Obviously not everyone of the managers can avow his/her blame. This can cause conflicts, disharmony, incomprehension between stuff and managers.

Figure 13: Satisfaction with exception of the blame of the managers

Except his/her blame

- 14,62% — Very satisfied
- 34,14% — Very dissatisfied
- 26,82% — Satisfied
- 24,39% — Dissatisfied

Source: Own calculations

4.2.4 Suggestions

The aim of this part of the research is to pick out leadership and motivation factors on which manager need to pay intention and to suggest some ideas for enhancement. There are several zones, which don't satisfy sales personnel.

- Admission of blame of managers
- Salary
- Job security

First there is a question of remuneration. Mostly employees are not satisfied with their salary. Managers should clap eyes on this fact. They should understand that instability scares stuff; of course percent system is usual system of remuneration in jeweler stores, and in all stores general, but as they are dealing with tourists, company really depend on seasons. The suggestion can be that in time of offseason, stuff can get a raise on base salary. But if it won't be possible due to economical difficulties, it would be significant to concentrate on creating the organizational culture.

Another issue is admission of blame of managers. It seems like managers don't have uniform way of line of conduct in this aspect. This can cause, or it already has cased, problems with work environment, with relationships between stuff and managers. Managers should understand that they are in the same team, because they have same goals and aims.
Accepting blame, shows that person realize that he/she made a mistake, and in this case percent of not making it again is rising. And if manager can accept blame beyond employees, he/she shows respect and trust, which are very important factors of motivating.

The third, and the most sensitive question is the question of job security. Nowadays it is become normal to feel insecure about the job. After the economic crises, a lot of companies are in difficult circumstances, and sometimes managers just have to fire good employees. Suggestion can be only that, managers can try to give the feeling of job security for their employees. Show and tell to the employees that they are valuable, and try to inspire them.

5 Conclusions

The main aim of this work was to eximine the theoretical background of leadership and motivation. Theoretical part included different theories and studies of leadership and motivation. Based on this theoretical basis was conduct a research in jewelry company Lapis Diamond Prague s.r.o.

Another aim of the research was to explore present situation in Lapis Diamond s.r.o and through questionnaire determine the level of satisfaction of sales personnel of Lapis Diamond Prague s.r.o. The output of the questionnaire showed that the employees are more or less satisfied with motivation and leadership skills of the managers. Thus, the hypothesis of the thesis, that there will not be any big problems with process of motivation and leadership in Lapis Diamond Prague s.r.o, was proved. Though, generally results are quite optimistic, there are three factors which dissatisfy employees: admission of blame of managers, salary and job security.

The suggestions for managers were, for example, to be in the same team, try to accept their blame, in order to show trust and respect to their employees. Another recommendation was to show and tell to the employees that they are valuable, and try to inspire them, these can make employees feel secure in their job position. It is hard to solve the question of remuneration, but managers need to pay attention on that.

In conclusion it can be said, that with the wide range of methods wich can be used to motivate employees, crusial role play leaders, who must choose how to encourage each employee to perform better and better.

On the base of this results will be set new motivational and leadership stratagies to reach better perfomance of employees.

Appendix

List of figures:

List of pictures:

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Questionnaire

Gender	Male	Female		
Age	20-30	31-40	41-50	> 50
Level of education	School/College	Bachelor Degree	Master Degree	PhD
How long are you workin in this company?	< 1	1-3 years	4-6 years	> 6

	Certainly yes	Probably yes	Probably no	Certainly yes
1) Are you satisfied with your salary?				
2) Do managers have communicative skills?				
3) Do managers cleraly indicate objectives/goals?				
4) There is a fair treatment from managers between ve and my colleagues				
5) Managers inspire me to make more dalajence				
6) Are you satisfied with working hours?				

7) Do managers except their blame if they were wrong?				
8) Are you satisfied with working conditions?				
9)Do managers tre to resolve conflicts between employees, if they appear?				
10) Are you satisfied with the job security?				
11) Are you satisfied with benefits implemented in the company?				
12) I have recognition from the managers				
13) Do managers respect you and your colleagues?				
14) My managers are natural born leaders				
15) Are you satisfied with the possibilities of personal growth in your job?				
16) Managers appropriate my work, and praise me in case of good result				
17) Do managers listen to your and your colleague's ideas concerning work?				
18) Are you informed about achievement of the company?				
19) Do you feel that managers care about you and support you?				
20) Are you satisfied with the work environment?				

Source: Own calculations