

# Entrepreneurial Leadership

Unit 2: Motivating Your Team



# Course Unit Structure

- ▶ Course Structure
  - ▶ Unit 1: Your Role as an Entrepreneur
  - ▶ **Unit 2: Motivating Your Team**
  - ▶ Unit 3: Leadership Styles
  - ▶ Unit 4: Entrepreneurial Leadership Tasks and Challenges



# Unit 2 Learning Objectives

- ▶ apply motivation theories to motivate employees and the organization as a whole
- ▶ compare and contrast the variety of ways entrepreneurial leaders communicate effectively
- ▶ identify methods to manage and motivate human capital, such as through intrinsic and extrinsic means
- ▶ propose elements of organizational culture to apply to a business



# Unit Vocabulary

- Competing Values Framework
- Equity Theory
- ERG Theory
- Expectancy Theory
- external environment
- Maslow's Hierarchy of Needs
- mechanistic structure
- motivation
- organic structure
- SMART goals
- Two-Factor Theory of Motivation



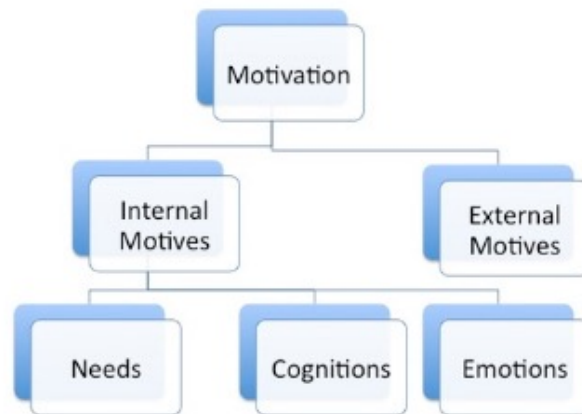
# Overview: Unit Two Topics

- ▶ Motivational theories
- ▶ Effective communication as a leader
- ▶ Human capital in Entrepreneurial Leadership
- ▶ Culture and Goal Setting



## 2a: Motivation Theories (Internal/Intrinsic, External/Extrinsic)

Hierarchy of the Four Sources of Motivation



Adapted from Reeve (2009) p9.



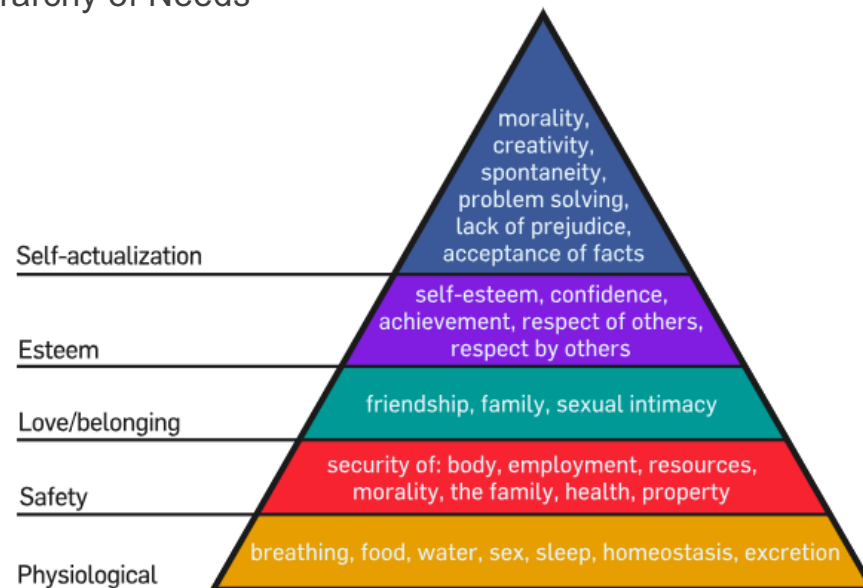
## 2a: Motivation Theories

- ▶ Motivation theories can fall into these categories
  - ▶ Needs-based theories (based on the fulfillment of human needs)
  - ▶ Behavior-based theories (based on promoting desired behavior)
  - ▶ Cognition-based theories (based on equitable compensation for equal effort)
  - ▶ Job-oriented theories (based on making the job fulfilling)



## 2a: Motivation Theories (needs based)

► Maslow's Hierarchy of Needs





## 2a: Motivation Theories (needs based)

- ▶ ERG Theory
  - ▶ Existence needs, relatedness needs, and growth needs
- ▶ Need for Achievement Theory
  - ▶ Needs include: achievement, authority and affiliation



## 2a: Motivation Theories (behavior based)

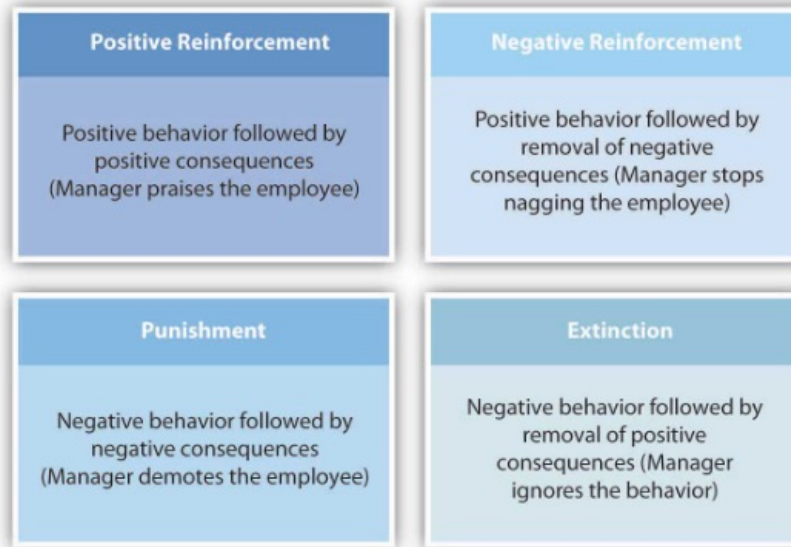
- ▶ Two Factory Theory
  - ▶ Hygiene Factors and Motivation factors



# 2a: Motivation Theories (behavior based)

Figure 14.12 Reinforcement Methods

► Reinforcement Theory



## 2a: Motivation Theories (cognition based)

- ▶ Equity Theory
  - ▶ Focused on fairness
- ▶ Expectancy Theory
  - ▶ People put in what they expect to receive in return



## 2a: Motivation Theories (job based)

- ▶ Job Design
  - ▶ Rotation
  - ▶ Enlargement
  - ▶ Enrichment



## 2b: Communication Model

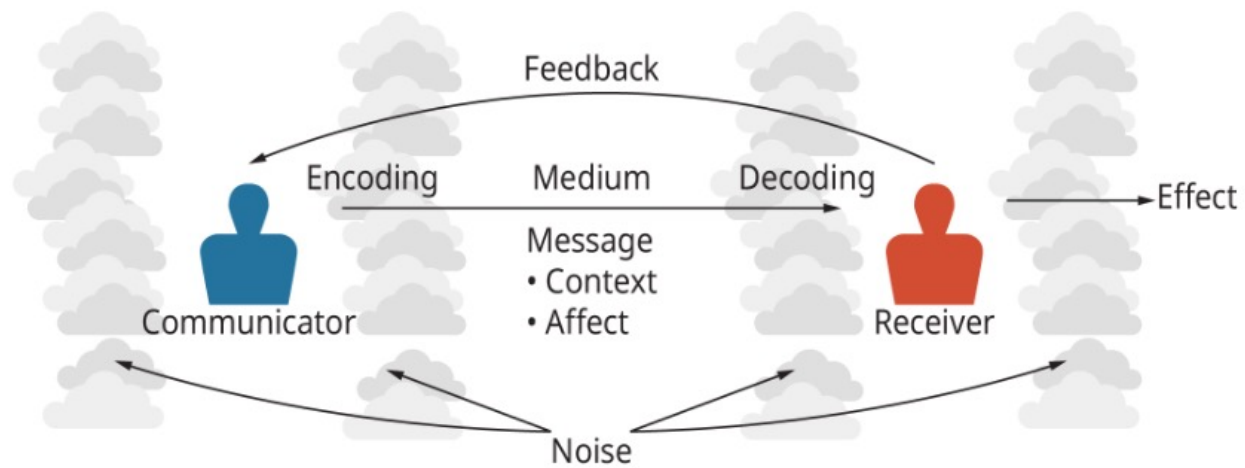


Exhibit 11.2 The Basic Communication Model (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)



## 2b: Communication Considerations

- ▶ Perception by sender and receiver
- ▶ Interaction involvement
  - ▶ The extent to which both parties are involved in the conversation
- ▶ Organizational design
  - ▶ Informal and formal communication channels
- ▶ Non-verbal
  - ▶ Body language, eye contact, facial expressions, posture, touch, space



## 2b: Information Channels

Information Channel	Information Richness
Face-to-face conversation	High
Videoconferencing	High
Telephone conversation	High
E-mails	Medium
Handheld devices	Medium
Blogs	Medium
Written letters and memos	Medium
Formal written documents	Low
Spreadsheets	Low

*Information channels differ in their richness.*





## 2b: Written vs Verbal Communication

Figure 8.11 Guide for When to Use Written versus Verbal Communication

Use Written Communication When:	Use Verbal Communication When:
conveying facts	conveying emotion and feelings
the message needs to become part of a permanent file	the message does not need to be permanent
there is little time urgency	there is time urgency
you do not need immediate feedback	you need immediate feedback
the ideas are complicated	the ideas are simple or can be made simple with explanations



## 2b: Communication Directions

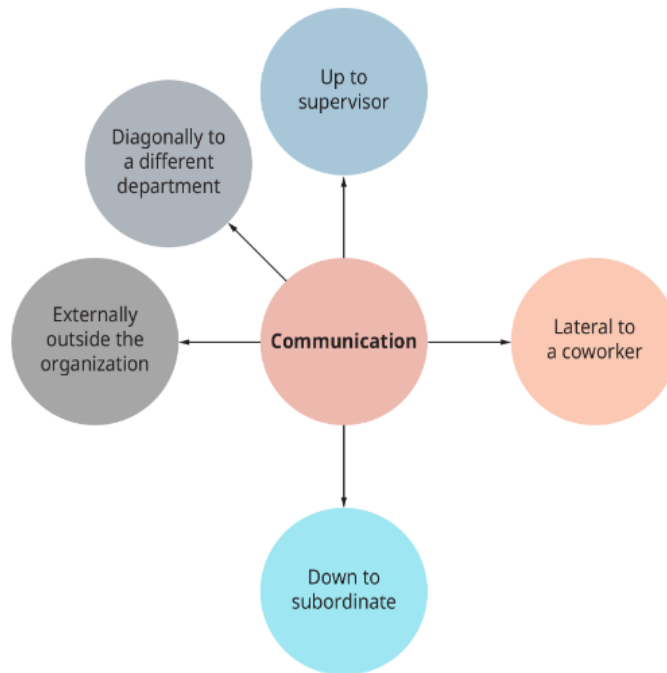


Exhibit 11.4 Patterns of Managerial Communication (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)



## 2c: Investing in Human Capital (Diversity and Inclusion)

- ▶ Diversity and the Law
  - ▶ EEOC (United States) Covers Discrimination based on:
    - ▶ Age
    - ▶ Disability
    - ▶ Equal pay
    - ▶ Genetic information
    - ▶ National origin
    - ▶ Pregnancy
    - ▶ Race/color
    - ▶ Religion
    - ▶ Retaliation
    - ▶ Sex
    - ▶ Sexual harassment
- ▶ What is inclusion? Why is it important?



## 2c: Investing in Human Capital (Talent Development/Performance Management)

- ▶ Performance Management
  - ▶ Practices and processes meant to drive performance, such as performance reviews
  - ▶ Total rewards strategy



## 2d: Creating a Culture for Goal Setting (External Environment)

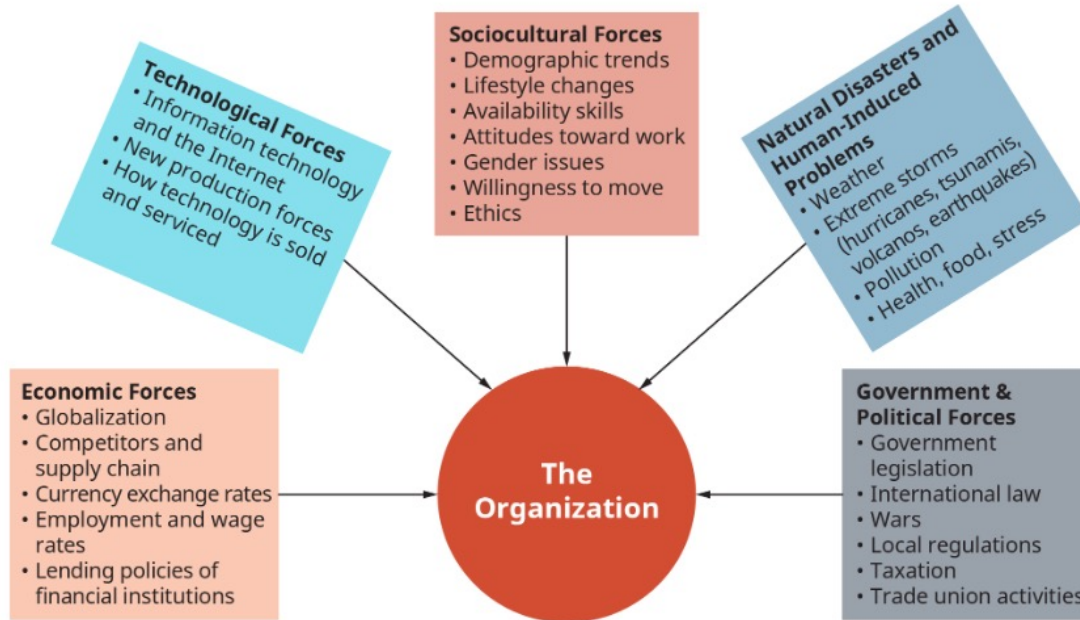


Exhibit 15.2 Macro Forces and Environments (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)



## 2d: Creating a Culture for Goal Setting (Organizational Design)

- ▶ Mechanistic
  - ▶ Top-down
  - ▶ Formality
- ▶ Organic
  - ▶ Flexible
  - ▶ Few rules
  - ▶ Most entrepreneurial ventures will start this way
- ▶ Types of organizational structures: Functional, divisional, geographic, matrix, networked, virtual



## 2d: Creating a Culture for Goal Setting (Internal Environment)

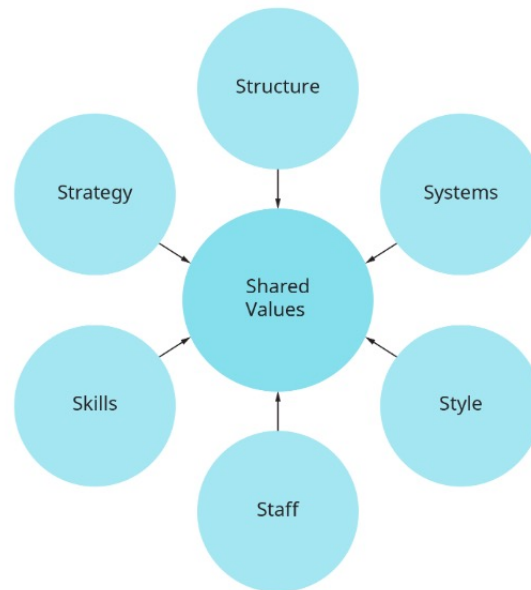


Exhibit 15.17 The McKinsey 7-S Model (Attribution: Copyright Rice University, OpenStax, under CC-BY 4.0 license)



# 2d: Creating a Culture for Goal Setting (Culture and Goal setting)

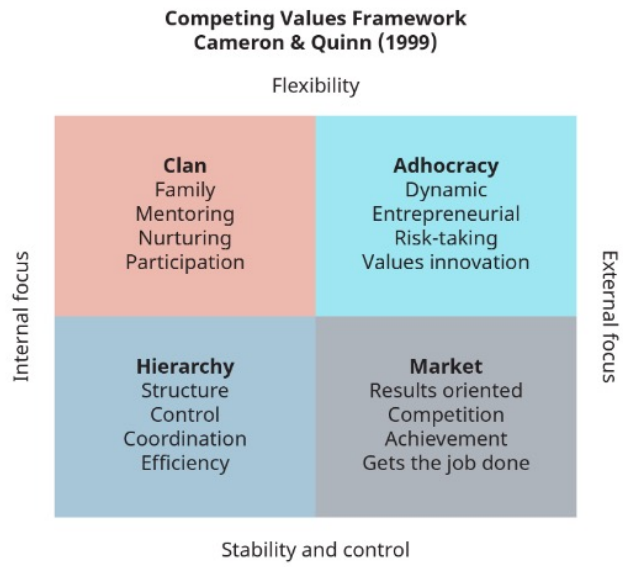


Exhibit 15.21 The Competing Values Framework Source: Adapted from K. Cameron and R. Quinn, 1999. Diagnosing and Changing Organizational Culture, Addison-Wesley, p. 32.





## 2d: Creating a Culture for Goal Setting (SMART Goals)

- ▶ Goals should be SMART
  - ▶ Specific
  - ▶ Measurable
  - ▶ Attainable
  - ▶ Realistic
  - ▶ Time bound



# Conclusion

- ▶ Here's what you learned:
  - ▶ apply motivation theories to motivate employees and the organization as a whole
  - ▶ compare and contrast the variety of ways entrepreneurial leaders communicate effectively
  - ▶ identify methods to manage and motivate human capital, such as through intrinsic and extrinsic means
  - ▶ propose elements of organizational culture to apply to a business



# What's Next?

- ▶ To prepare for the practice exam, consider one more review of the study guide and course materials.
- ▶ Good luck on the practice exam!

