

chapter - 1

Management is a vital aspect of the economic life of man, which is an organized group of activity. Management is the process of planning, organizing, leading and controlling the work and organization member and achieving a group goal.

Management is a set of activities (including planning, organizing, leading and controlling) directed at an organization's resources (Human, financial, physical and information) with the aim of achieving organizational goals effectively and efficiently in changing environment.

It is a process by which manager manages & control people to concentrate and balance their effort for efficiently and accomplishing predetermined goals within prevailing dynamic environment.

Organization

A social unit of people systematically structured and managed to meet a need or to pursue collective goals on continuing basis.

Characteristics of management:

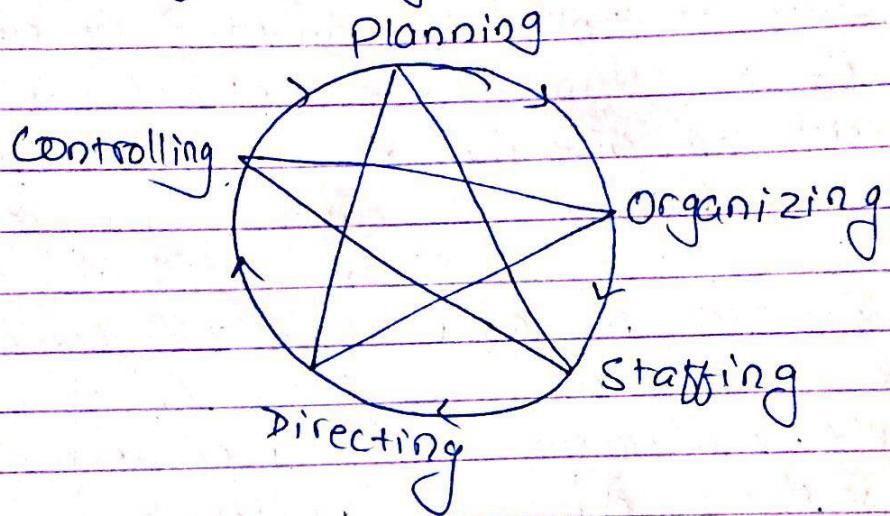
- Management implies skill and experience in getting things done through people
 - It is Management is a process
 - management is a universal activity
 - It is an art as well as a science.
 - It is a profession
 - It is dynamic
 - It implies good leadership
- ↑ Intangible

characteristics Again [recall]

- Management is:

- intangible, process, profession, dynamic,
- universal activity, good leadership
- an art as well as science. Goal oriented
- decision making, need of organizations

function of management



According to George and Jerry:

'four function: planning, organizing, actuating
and controlling.'

According to Henry Fayol: To manage is to forecast
and plan, to organize, to command & to control.

- Planning:
 - deal with chalking out of a future courses of action
 - deciding in advance → 'KOONTZ'
 - process thinking before doing.
 - Deciding what needs to happen in future
 - Generating plans for action
 - Managers develop the plan to integrate the activities such as what to do, when to do, how to do, who will do a particular task.
- Organizing:
 - process of bringing human and non human resources and developing productive relationship amongst them for achieving organizational goals.
 - identification of objective activities
 - classification of grouping of activities
 - assignment of duty
 - delegation of authority and creation of responsibility
 - coordinating authority and responsibility relationships.
- Staffing:
 - staff efforts; right man at right job
 - Square pegs in square holes, round pegs in peg hole.
 - Manpower Planning:
 - estimating man power in terms of searching, choosing
 - recruitment, selection, placement.
 - performance appraisal, wages (HRM at agt)

Directing: (Org. in right direction अंतर)

Managerial function which actuates the organizational methods to work efficiently for achieving org.^{ापि} purpose.

Direction has following elements

- supervision [subordinate]
- motivation [inspiring]
- Leadership [guides and influence]
- communication [passing info & experience]

Controlling: [check if goal meet standards & changes AIC]

- Establishment of standard performance
- it is a process of monitoring performance
- correct significant deviations
- Goal setting, plans formulated, structural arrangements determined and the people hired, trained, motivated
- corrective action
- bind deviation
- past year, so far, etc. तिथि
- future performance, उत्कृष्ट गति

level of managers

- top level / Administrative
- Middle level / Executive
- Low level / operational first line

a. Top level

- ~~cost~~, responsible for handling major issues and aspects of an organization.
- responsible for making organizational decisions and setting the policies and strategies
- ultimate source of authority
- manages goal and policies
- contact with outside or coord.
- responsible towards the share holder.

b. Middle level

- branch manager
- implement policies developed by top level and controls the lower level.
- make plans
- interpret & explain policies
- reports to the top
- evaluates the performance

c. Lower Level

- supervisory, foreman.
- responsible for supervising, controlling and coordinating and the activities
- assign job to worker
- responsible for quality & quantity of production

Roles	Subroles	
Interpersonal	Figurehead Leader Liaison	(visitor welcome) (directing, controlling) (comm. channel arr.)
Informational	Monitor Disseminator Spokesman	(watching activities) info. share JTF (cost acc. acc.)
Decisional	Entrepreneur disturbance handler resource allocator Negotiator	OTB maintain JTF (maintain JTF) (OTB monitor work) (obj. monitor)

Skills of manager

- Technical skill : (lower mgmt)
 - Specific ^{most} expert : Engineers
- Human skill (all level)
 - ability to lead, motivate and communicate with people
- Conceptual (top mgmt)
 - need to see big pictures.

Aspect of management :

- production

Scope of management:

- production management (raw material & product quality)
- marketing management (Advert., market research, where)
- financial management (Tax, cost, account section)
- personal management (recruitment, wage, training)

challenges and opportunities :

1. Globalization
2. Technology
3. Social responsibility
4. change management
5. cultural diversity
6. Empowerment
7. Quality

Organization

Organization definition:

Organization involves division of work among people whose effort must be coordinated to achieve specific objectives and to implement pre-determined strategies.

Building block

- Division of work (task into subtask)
- departmentation (similar to subtask into VST department)
- Hierarchy (position and responsibility, authority, power)
- Co-ordination (group to solve one or more subtask)
- resources allocation (material, equipment at right place and time)

Prin characteristics

- Specialization and division of work
- Orientation towards goals
- Composition of individual and groups
- differentiated functions
- continuity.

Principles of organization:

- consideration of unity of objective (one goal for unity)
- Specialization (division of work)
- Co-ordination
- clear, unbroken line of authority.
- Responsibility
- Efficiency
- Delegation
- unity of command

- span of management
- communication
- flexibility.

formal vs informal organization

① formal organization: [Goal oriented]

- well structured of jobs and position with clearly defined functions
- Everybody is assigned a certain responsibility for performance
- appeared on organization chart
- pillars of formal organization
 - division of labour
 - scalar and functional process
 - structure and
 - span of control

→ Characteristics

- structure is laid down by top mgmt to achieve org goal
- prescribes relationship amongst the people working in org
- structure concentrated to goal.
- bound by rules, regulation and procedures.
- clearly defined position, authority and responsibility
- deliberately impersonal.
- coordination proceeds Alc the pre-scribed pattern
- clearly defined vision and sub-goals.

Advantages

- concentrates on jobs → makes everybody responsible
- bound by rules → ensures law and order
- common objectives focused than individual ones.

DisAdvantage:

- not consider the sentiment of members
- not consider the goals of the individuals. It is designed to achieve organizational goal.
- bound by rules → it makes achievement of goals difficult.

(2) Informal organization: (volunteering)

- does not appear in organizational chart.
- refers to the relationship betⁿ people in org. based on personal attitudes, emotions, likes, dislikes etc.
- not established by any formal authority.
- arises from personal and social relation of people.
- Not strict rules and regulation.
- Large formal groups give rise to small informal.
- Not pre-planned.

Characteristics

- unplanned and arise spontaneously.
- Not a strict chain of communication.
- not based on rules
- based on common taste.

- it makes formal more effective
- understanding emotion of individual
- provides social satisfaction
- fill the gap in manager's (formal) ability.

③ Functional Organization:

- entire work is divided into different functional department
- functional specialist: has authority to give orders regarding his function
- each workers are assigned a limited no. of function

advantages:

- based on expert knowledge
- [One man work X] [teamwork ✓]
- it helps mass production by standardization and specialization

Organization Charts

- diagrammatic presentation
- shows principal lines of authority in organization
- shows various relationship b/w managerial persons and department
- indicates the channel of communication

- shows the clear line of authority
- clear picture of org.
- avoid misunderstanding of jurisdictional problem
- outsider can easily know the person whom they have to approach for work.
- avoid overlapping / duplication of authority.
- valuable guide

- disadvantages:
- does not show informal relation
 - does not tell who has how much authority and what action they can take
 - it may bounds the people strictly than individuals emotion.

Types:

- top to down (vertical) chart
- left to right (horizontal) chart
- circular

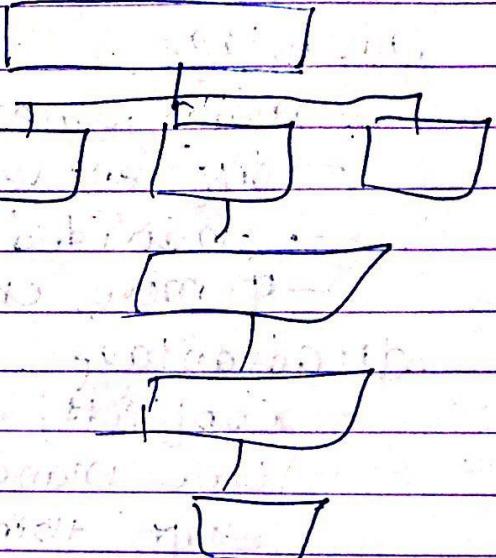
- Top-down:
- common types
 - top level : senior executive
 - Authority flows from top to down

Forms / types of organization

- Line org.
- Line and staff org.
- Functional org.
- Matrix org.

① Line Organization

- simplest, earliest, hierarchical
- vertical relation authority
- top has highest power
- authority handed down to subordinates
- command and chain is done only at one step
- limited subordinates



advantage

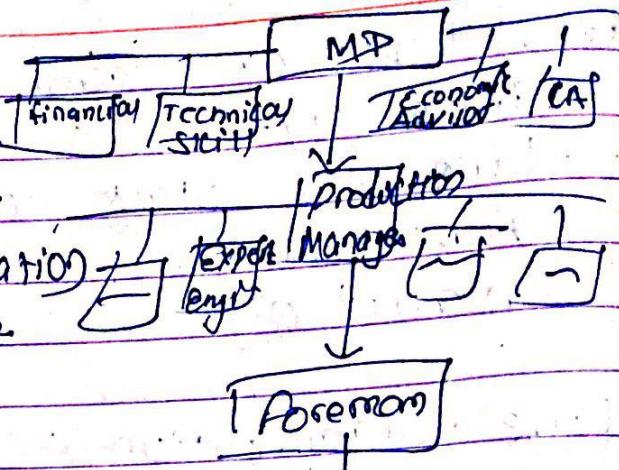
- most effective and economic
- excellent discipline
- flexible relations
- clearly defined authority

disadvantage:

- too overloaded with work.
- autocratic system
- rigid and inflexible
- if superiors take wrong decision, it could be carried out, no external opinion works by subordinates.

⑪ Line and staff

- same as line, specialists are attached to line managers
- staff means expert information
- / - line maintains discipline



advantage

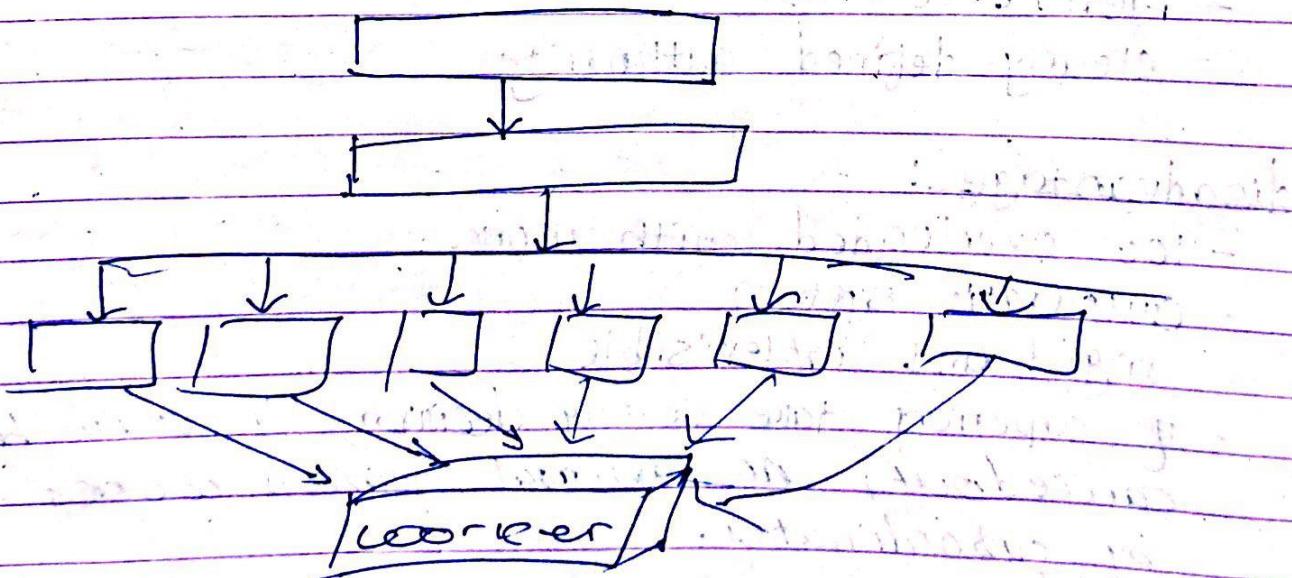
- many resources
- different versatile ideas
- undivided responsibility
- more choices

disadvantage

- conflicts, misunderstanding
- Line manager denied to implement staff thinking of prestige

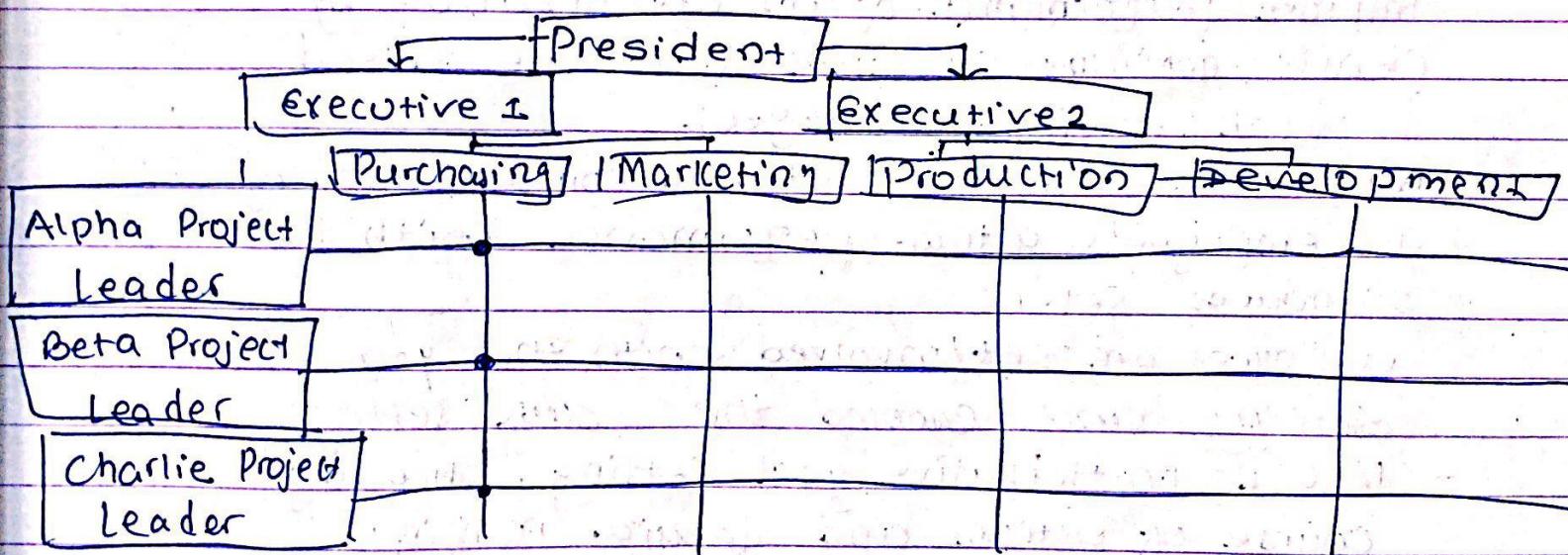
⑬ Functional

already done



4. Matrix Organisation

- people with similar work skills are pooled for work assigned
- Example: all engineer may be in one engineering department and report to an engineering department but each engineer may have to work with different manager to get their job done.
- focuses on developing project teams with experts from different department working together.



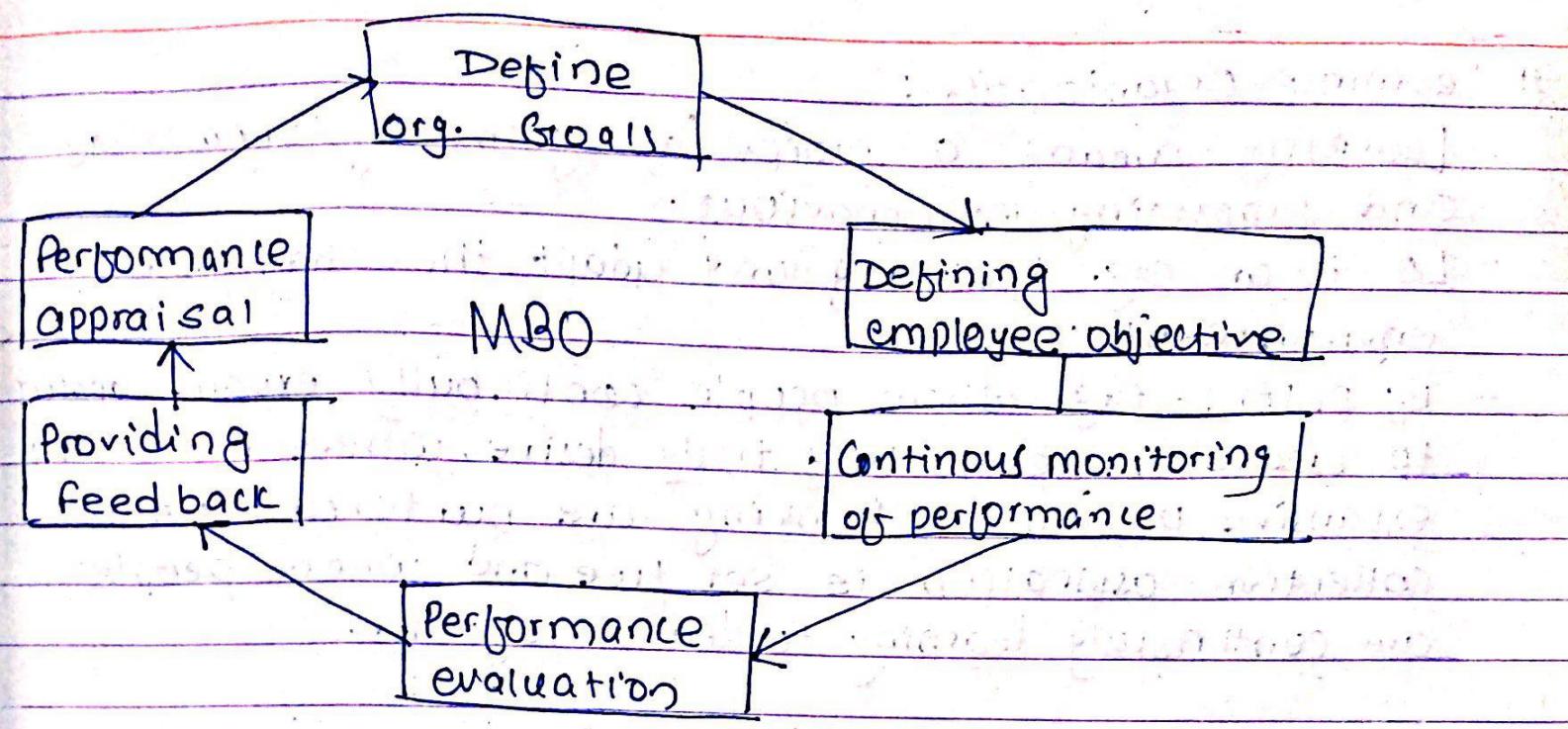
Advantages

- improved communication
- individuals can be chosen acc. the needs of projects.
- decentralized
- experts from different dept work closely together
- no need diff. different dept.
- project managers have greater power.

- MBO was first given by Peter Drucker in 1954 in his book, 'the practice of mgmt'.
- The process of defining specific objectives.
- MBO is a management model that aims to improve performance of an organization by clearly defining objectives that are agreed by both mgmt & employees.
- MBO is the measurement and comparison of an employee's actual performance with the standards set.
- Employees are set/involved with the goal setting and choose the course setting.
- MBO is participative goal setting, choosing course of actions and decision making.

features:

- motivation
- Better communication and coordination
- clarity of goals



Management By Exception

- find out deviation of result ie (difference between actual result & planned result)
- it is a policy of management devotes its time to investigating only on deviation.
- idea is, mgmt spend valuable time concentrating on more important items such as shaping company future strategic course.
- In MBE, the decision cannot be made at one level of management is passed on to the next higher level.
- exception report
- its objective is to facilitate mgmt's focus on really imp target and strategic task.
- ignore smaller and regular interval errors/tasks.

HRM:

H = Human, people

R = assets, costs for organization

M = coordination and control to achieve set goal

personnel management can be obtained defined as obtaining using and maintaining a satisfied workforce. It is significant part of mgmt concerned with employees

function of HRM personnel management:

1. Manpower planning

2. Recruitment

3. Selection

4. Training and Development

Job ~~specifications~~ Analysis

- A. Job description
 - a. Job title
 - b. Job Location
 - c. Job summary
 - d. reporting to
 - e. working conditions
 - f. Job duties
 - g. machine to be used
 - h. Hazards
- B. Job specification
 - a. Qualification
 - b. Experience
 - c. Training
 - d. Skills
 - e. Responsibilities
 - f. Emotional characteristics
 - g. Sensory demands

(What the job details)

(What kind of people to hire for the job)

Job analysis : procedure for determining the duties and skill requirement of a job and a kind of person who should be hired for it.

- definition of a job domain
- description of a job
- development of performance appraisal
- personnel selection
- selection systems
- promotion criteria
- training needs assessment
- legal defense of selection processes
- Compensation plans.

W H S

where

why

when

what

how

which

Scope of job analysis

- recruitment and selection
- compensation
- Ensure complete assignment of duties

- | - Training
- Performance appraisal

Recruitment

- process of attracting, screening and selecting a qualified person for a job
- finding a right person (candidates), reviewing applicant credential
- Effective recruit mean $\xrightarrow{\text{leads}}$ effective organization

* Objective of recruitment:

- reviews the list of candidates
- forecast how many people required
- enable to advertise and attract talented people
- provide different opportunities to procure human resources

* Sources

Internal source

1. promotion
2. Departmental exam
3. Transfer
4. Retirement
5. Internal advertisement
6. employ recommendations

External source

1. Management consultant
2. Employment agency
3. campus recruitment
4. Newspaper advertisement
5. Internet advertisement
6. Walk in interview

* Process of Recruitment

- Vacancy arising
- Job analysis with description
- Job Specification
- Job advertisement
- application received and shortlisted

- preparing for interview

- interview

- selecting the suitable candidate

* Promotion

- advancement of an employee's rank or position in org. hierarchy.

- reward for good ~~superior~~ performance

- positive appraisal

it involves designation, salary and benefits and in some reward like Apartment, car etc.

* Performance Appraisal

~~Job related fact~~ [reward, effort]

- evaluation

- systematic and periodic process and to understand the abilities of a person for further growth and development.

- supervisor measures the pay of employees and compare it with target and plans.

* Objective

- to record/determine compensation package

- to provide feedback.

- to review and retain the promotional and other training programs

Advantage

- promotion
- compensation
- employees personal development
- selection validation
- communication
- motivation

Who evaluates ?

- supervisors
- peers
- self-appraisal
- subordinates
- consultant
- users of services.

process of performance appraisal

1. Establish performance standards
2. Communicate the standards
3. Measure actual performance
4. Compare actual with standards and discuss the appraisal
5. Taking corrective action, if necessary.

a. Individual Evaluation methods

- confidential report
- essay evaluation
- checklist
- Graphic rating scale
- Mgmt by Objective (MBO)

b. Multiple person evaluation method

- ranking method
- Paired comparison
- Group appraisal
- Human Resources accounting

* Problems with Performance appraisal

- Judgement error
- poor appraisal for
- ineffective organization policies

wage : [वार्ता]

- A form of remuneration paid by an employer to an employee calculated on some piece or unit basis
- Compensation in terms of wages is given to workers and compensation in terms of salary is given to employees.
- Compensation is a monetary benefit given to employees in return for the services provided by them.

methods of wage payment

1. - time rate system [time anwariya]
- High wage plan [एक वर्षीय वेतन]
एक वर्ष की वेतन की विपुलता
- measured day work : [काम की विपुलता]
- differential time rate [hourly rates] for different levels of efficiency

2. Payment by result:

- output उत्पादन
- overtime विशेष वक्ता

* Factors affecting wage and salary

- Organization ability to pay
- supply and labour demand of labour
- prevailing market rate
- cost of living
- living wage
- productivity.

Training:

learning experience in that it seeds a relatively permanent change in an individual that will ~~perform~~ improve the ability to perform on the job.

- Bring about change
- Acquire knowledge
- Acquire skill
- Develop confidence
- Develop good judgement

Focuses on improving

- knowledge
- skill
- Ability

Why training??

- less supervision [on the job training]
- fewer accidents
- chances of promotion
- increased productivity

Type

* On the Job Training [OJT]

- on the job training
- learn while working
- working on actual working condition
- paid + learn (advantage)
- focused on productivity rather than learning
- it include: job rotation, coaching, job instruction,

On the job training methods

- a. Job rotation [3-14 weeks, vol. 31^{part}] [31^{part}, Vol. 31^{part}]
- b. coaching [coach & feedback 1:1] [4 weeks]
- c. Job instruction [trainer explain step by step]
- d. Committee assignment [survey JTC, Field trip]
- e. Apprenticeship [class room monthly, weekly]
- f. Internship [specific task assigned in real environment]

Advantage

- it is directly in the context of job
- It is free from artificial classroom
- cost-effective paid
- employee are actually productive
- learning while doing

Disadvantage

- Quality depends on ability and time available
- bad habit might be paved or learned environment
- Not certain safety hazards

② off the job

- Outside the job
- Conducted in a location specifically designated for training
- Special training center / institution
- allows trainees to devote their full attention
- virtual environment

methods

- class lectures
- Audio visual
- simulation
- case studies
- Role playing
- programmed instruction
- vestibule training

Advantage and disadvantage

- | | |
|--|---|
| <ul style="list-style-type: none">→ A wider range of skill acquired→ learn from specialist→ more confident when starting job→ many examples and simulation helps to learn effectively→ Specially organized to learn.→ systematic. | <ul style="list-style-type: none">- more time- expensive- artificial in nature- transportation & accommodation- may not based on experience- not practical |
|--|---|

Chapter - 5

Introduction to Industrial Relation (IR)

- Introduction to IR
- Trade union
- Collective bargaining
- Health and safety
- Compensation
- Introduction to arbitration

IR: employee - employer relation

mgmt - Labour relation

The relationship betⁿ mgmt and employee or (employees and their organization) that arises out of employment.

function of Industrial relations:

- a. Communication betⁿ worker and mgmt
- b. establish a rapport betⁿ manager and worker
- c. To ensure creative contribution of Trade unions
- d. To lay down certain considerations which may promote

Trade Union

A trade union is any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between co-workers and employer or workmen and workmen or employer and employer, for imposing restrictive condition on the conduct of any trade or business and include any federation of two or more trade unions.

function of trade union

- to achieve higher wages, salary
- better working and living condition
- increase the power through collective bargaining
- protecting the members against victimization and injustice by employers.
- To raise the status of worker
- To generate self-confidence among worker
- To get regular facilities like health, transportation

Trade union in Nepal

- recent origin at 1945 after rule of Rana
- in 1946, ANTUC (All Nepal Trade Union Congress) formed
- 1947 in 1947, Biratnagar workers union (BWU) was set up.
 - which led to movement to place at Biratnagar for the establishment of democracy.
 - WFTU (World Federation of Trade Union) granted membership to ANTUC in 1953.
 - These trade unions were merely instrument of political party without the capacity of collective bargain.
 - King's stage diminished the TU free from party; Panchayati system in 1962

Example: NTUC (Nepal Trade Union Congress) (1947)
DECONT (Democratic confederation of Nepalese TU) 1997
GEFONT (General federation of Nepalese TU) 1989

1 1 (1)

Collective Bargaining:

- methods of resolving industrial disputes and deciding the employment conditions is collective Bargaining.
- It is a process in which management and employee representative negotiate terms and conditions of employment for mutual benefit.
- collective: both mgmt & workers
- Bargaining: method of reaching agreement
- no outsiders

process

- i) prepare: composition of team, what are issues
- ii) discuss: create an environment and discuss the problem
- iii) propose: possible actions to resolve
- iv) Bargains: Negotiate
- v) settlement: approve or deny proposal

Health and safety

health: state of complete physical, mental and social well being and not merely the absence of disease or infirmity.

Health standard

1. Cleaning
2. ventilation and light
3. no overcrowding
4. separate modern toilets
5. nosmoking zone

safety standard

- Dangerous machine should be fenced
- lifting Overloads
- pressure plan
- Powers to determine std.
- welfare fund
- Leave
- canteens / restroom

- compensation is the activity by which org. evaluate the contribution of employees in order to distribute fairly direct and indirect monetary and non-monetary rewards within the organization's ability to pay and legal regulation
- financial reward

~~Intrinsic reward~~: pay, promotion, commissions, working conditions
 Intrinsic: participation in decision making, greater job freedom, more opportunity, more interesting work.

- Types:
- ① wages and salary
 - ~~GEIT~~ [salary fixed for permanent employee]
 - ~~SEKOT~~ [wages refer to hourly rates of pay, OT]
 - ② incentives: additional compensation above salary and wage
 - ③ employee benefit: indirect reward to employee: insurance, vacation
 - ④ perquisites: (Afafkem): paid holiday, travel, children's health, education

Purpose

- to motivate
- to retain quality
- to attract potential candidates to the job
- to fulfill extra desire and make feel them that they are doing.

Consideration

- Legal considerations. [country's rule]
- Union and other association. [Trade unions bargaining]
- The market. [competitive pay system]

Arbitration [અર્બિટેશન]

Arbitration, a form of Alternative dispute resolution (ADR), is a legal technique for the resolution of disputes outside the courts where the parties to a dispute refer it to one or more persons by whose decision (award) they agree to be bound.

કુન્ડાની વડી લેડર (ફોર્માલ અર્બિટેશન) અને
સદગ્યોનાં વાટ સેલ્વેજ જીની દિસ્પ્રેન (ફોર્માલ)

Advantage

- The parties and their attorneys can select their arbitrator (They cannot select their judge)
- Attorneys are present to help
- Less formal than court (for comfortable)
- Parties (not court) decide

disadvantage

- Parties need to pay to Arbitrators' time.
- The arbitrator's settlement is final and generally cannot be appealed.

Accident [दुर्घटना]

- unexpected, unusual and unintended external actions which occurs in a particular time and place but with marked effects.

- negative probabilistic outcome

Occurrence:

- Fatigue (थकान)

- Stress (संताप)

- Slips (slide, फिल्हाना)

- Trips

- Toppling object (खड़न सकने सामान)

- Hazardous materials (घानिकाल सामान like radiation)

- Repetitive motions (बहुविकल्पीय)

- Lifting (back pain [बुराउने])

- Workplace violations (कार्यस्थल अवलंघन)

- Collision (ठोकने)

Prevention

- Preparation

- Anticipation

- Regular maintenance

- Awareness

- Mask and safety clothes, gloves, glasses

VI: Human Behaviour and conflict mgmt

workforce diversity :

- establishing a heterogeneous workforce to perform to its potential in an equitable work environment where no member or group of members has an advantage or a disadvantage.
- age, cultural, physical abilities and disabilities, race, religion, sex and sexual orientation.

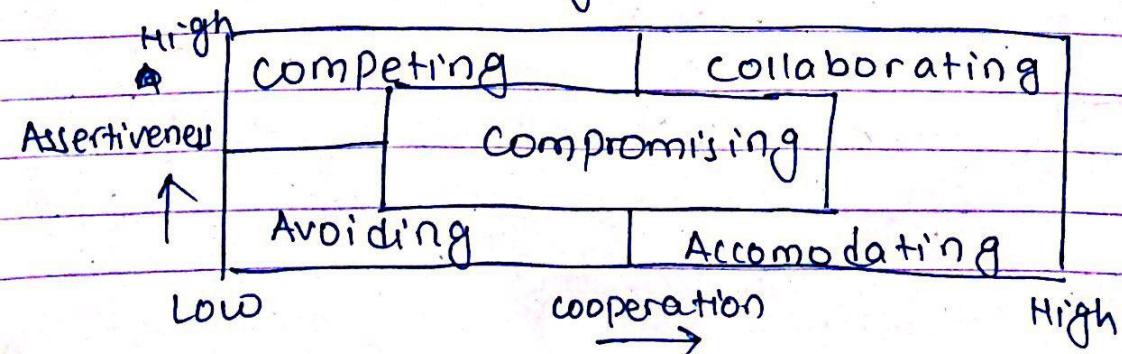
Reason, why workforce diversity needed?

- Globalization market
- new business strategies that require more work.
- changing labour market.
- shift from manufacturing to a service economy.

Conflict management : [संघर्ष प्रबंधन]

practice of being able to limit negative aspects of conflict and handle sensibly, fairly and efficiently

Conflict management styles [Types of conflict Mgmt]	
- Accomodating	[समर्पित]
- Avoiding	[टॉक नहीं]
- collaborating	[patch up जैसा]
- competing	[प्रतिवाद]
- compromising	[समझौता]



② Models / Methods of Conflict management

- Negotiation [नोटिएशन]
- facilitation [सुवाइट]
- Mediation [मेडियेशन]
- Arbitration [अर्बिट्रेशन]
- Legal action [लैगल एंजीनियरिंग]

Types of conflict [Not Conflict Management]

- Interpersonal conflict : b/w two individuals, due to personality misunderstanding, mediator reqd.
- Intrapersonal : occurs within individual, psychological individual thought, quite difficult to handle, positive change
- Intergroup : misunderstanding b/w two group, sales dept vs customer support
- Intragroup : happens among individuals within a team.

1. Negotiation

- Solving conflict with dialogue between two individuals or parties, to produce an agreement upon courses of action, bargains for individual or collective advantage.

process of negotiation:

- Preparation for negotiation
- Identifying issues for bargaining
- Negotiation
- Negotiated agreement
- Ratification of agreement
- Implementation of agreement

Principles of negotiation

- before
- during
- after

Barriers to negotiations

- die hard bargainers
- lack of trust
- structural impediments
- spoiled
- cultural and gender differences
- communication problems
- The power of ~~dark~~ dialogue

2. facilitation:

- process of designing and running a successful meeting
- facilitation always tends to solve a problem or simply exchange ideas or information
- does not try to distract or entertain.

Aspect of facilitation

1. role of facilitator
2. setting ground rule.
3. making arrangement for the meeting
4. setting agenda
5. understanding group norms
6. Understanding group dynamic.

3. Mediation

- form of ADR (Alternative dispute resolution)
- way of resolving disputes bet' two parties
- with concrete effect
- involves third party, mediator
- Third party helps other reach agreement
- mediation has a structure, timetable, but negotiation decides it.
- Process is private and confidential
- participation is typically voluntary
- mediation acts neutral
- depends on mediator's skill and training
- mediation can charge fee

• Cost

- Confidentiality
- Control
- Compliance
- Mutuality
- Support

Arbitration - legal technique for the resolution of dispute outside the court, where parties refer one person as a arbitrators by whose decision, they agree to bound.

- appointment of an independent person to act as an adjudicator in a dispute to decide on the term of settlement.

5. legal action

- action taken by a nation's law preceding within court system
- One person entity against another entities with an intention to avail legal repercussion or remedies for any loss occurred or may occur on him.

Participative management

- open form of mgmt where the employees are actively involved in organization's decision making process.
- it built strong relationship with their employee
- They welcomed innovative ideas, concept and thoughts from the employee and involve them in decision making
- industrial democracy, Participative decision making

Advantage

- Innovation and increased efficiency
- Timeliness
- Employee satisfaction and motivation
- product quality
- hiring flexibility

- Page
- Concept of motivation
 - Incentives
 - Theory of motivation
 - Need Hierarchy
 - Dual factoral
 - Expectancy and Achievement
 - Leadership styles
 - Management by Objectives
 - Management by exception
 - Learning organization

Motivation

- motivation is the process of stimulating people to action to accomplish desired goals
- William G. Scott.
 - Motivates concern itself with the will to work.
 - It seeks to know the incentives for work and tries to find out the way and means whereby their realization can be helped.
 - People are complex and they are uniquely different.
 - what motivates one person may not motivate others.
 - Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards

Incentives [positive motivation]

- Something that motivates or encourages someone to do something.
- Incentive is an object, item of value or desired action or event that spurs an employee to do more of whatever was encouraged.

1. Monetary: cash, commission, merit-based pay
2. prizes and gifts: meals, travel, gadgets
3. Recognition and awards: wall of fame, headlines
4. Company benefits: overtime, vacation
5. Development opportunity: promotions, training

Incentives may be motivators but not all motivators are incentives. Incentives are the reward and prizes while motivator refer those aspect of the job that make an agent want to work harder.

Importance of motivation:

- employees guided in desired direction for accomplishing goals
- effective work
- it increase a) ability to work b) willing to work
- motivates contributes good industrial relation.
- best remedy to make changes
- it lead us to achieve goals
- it makes realize us what's wrong/right
- facilitates the maximum utilization of resources.

Types of motivation

- a. positive motivation / incentive (reward, prize)
- b. negative or fear Motivations (punishment, suspense)
- c. Intrinsic motivation (related to job one is doing)
- d. Extrinsic motivation (external to job, praise, recognition)

Theories of motivation

1. Abraham Maslow's Need Hierarchy Theory
 - put by psychologist Abraham Maslow in the year 1943
 - Maslow saw human needs in the form of hierarchy, ascending from the lowest to highest, and he concluded that when one set of need is satisfied, this kind of need ceases to be a motivator.
 - His theory of hierarchy of needs is well read and most well known theory of motivation

The fundamental need classified by maslow are:

- a. psychological needs
 - food, water, warmth, shelter, sleep, medicine and education are need of satisfaction
 - until these needs were satisfied to a degree to maintain life, no other motivating factor works. (sex)
- b. Security or safety needs:
 - fear of losing a job, property, food, emotional harm
- c. Social need : family, friends, coworker, client etc

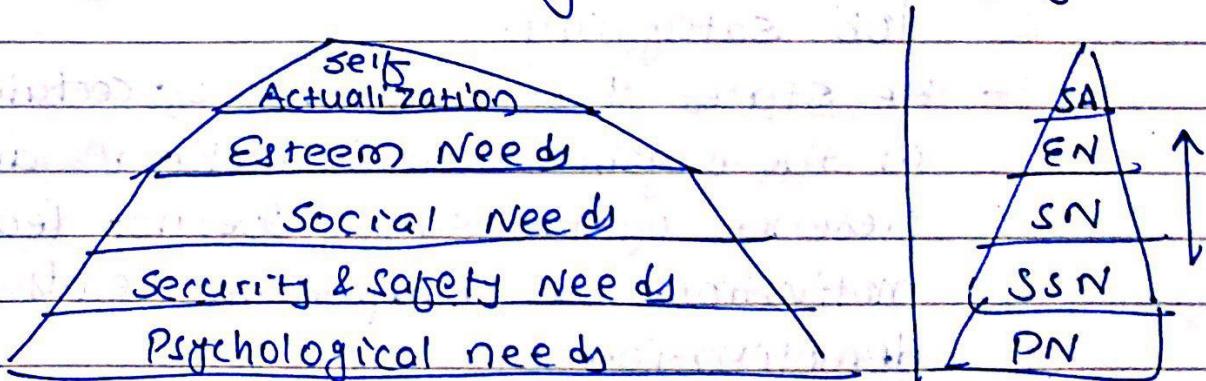
- As Maslow, once people begin to satisfy their need, they tend to want respect both by themselves and by others.
- This kind of need produces such satisfaction as power, prestige, status, recognition, responsibility.

e. Needs for self-actualization:

Maslow regards this as a highest need in his hierarchy. It includes growth, achieving one's potential and self fulfillment.

- education, religion, hobbies, personal, creativity

- process work like climbing up ladder



2. **Frederick Herzberg's motivation-hygiene Theory**
- - Frederick Herzberg tried to modify Maslow's need hierarchy theory.
 - developed by psychologist Herzberg
 - dual factor states that, there are certain factors in the workplace that cause job satisfaction, while ~~set~~ a separate set of factors cause dissatisfaction.
 - He devised the Qn: 'What do people want from their jobs'
 - Concluded that, opposite of satisfaction is not dissatisfaction.
 - Removing dissatisfaction characteristics from a job does not necessarily make the job satisfying.
 - He states that, presence of certain factors in the organization is natural and the presence of the same does not lead to motivation. but nonpresence leads to demotivation.
 - In similar manner there are certain factors the absence of which causes no dissatisfaction but their presence has motivational impact.

According to Herzberg, two kind of factors affect motivation

- hygiene factor:
- motivator

Security, status
relationship with subordinate
Salary, work condition,
personal life

Growth prospects, job,
responsibility, challenges,
recognition and achievement

→ ~~if fact or not and more m~~

Hygiene factors: These are factors whose absence motivates but whose presence has no perceived effect.

- They are the things that when you take them away, people become dissatisfied and act to get them back
- in general, these are extrinsic item low in maslows hierarchy

Motivators: These are factors whose presence motivates but whose absence does not cause any particular dissatisfaction, it just fails to motivate.

Example: top of maslows.

So hygiene factors determine dissatisfaction, and motivators determine sati sate.

Dissatisfaction	Hygiene factors	Normal condition	NO motivation
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Absence	→	Present
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Normal condition No dissatisfaction	Motivational factors	Motivation
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Theory X and Y

Theory X :

- employees inherently do not like work and whenever possible, will attempt to avoid it
- Because employees dislike work, they have to be forced / threatened with punishment to achieve goal

Theory Y

- physical and mental effort at work is as natural as rest or play
- people do exercise self-control and self-direction
- Avg. humans beings are willing to take responsibility and exercise imagination

Expectancy Theory (Vroom)

- The theory is meant to bring together many of the elements of previous theories
- It combines equity theory with behavioural aspect of other theories.

$$M = E * I * V$$

motivation = Expectancy * instrumentality * Valence

M = amt. of person will

E = person's perception that effort will result in performance

I = reward/punishment

V = Strength of reward/punishment.



Achievement-motivation Theory

- Three Needs Theory

- Acquired needs, motivational needs, learned needs

- Need of power

- Need of Achievement

- Need of affiliation

1. Need of power:

- wants to control and influence others
- likes to win argument
- enjoys competition and winning
- enjoys status

2. Need of Achievement

- strong need to set and accomplish goals
- often works alone, takes risk

3. Need of affiliation

- wants to belong to the group
- wants to be liked
- favours collaboration over competition
- does not like high risk

VIMP

Compare Maslow's with Herzberg

1. Meaning

Maslow: Concept of human needs and satisfaction

Herzberg: use of motivator which include achievement
recognition.

2. Basis of Theory

M: hierarchy of human needs

H: refers to hygiene and motivating factors

3. Nature of Theory

M: simple and descriptive, based on long experience on human

H: more perspective, based on actual information collected

4. Applicability

M: more popular and widely cited, wide applicability,
more applicable to poor and developing

H: extension of maslow, narrow applicability, rich country

5. Motivators