

249

Paroy

SEMESTER

# 23 Motivation Theories

g?

x man

## Theme

- To understand the concept of motivation and the way it affects human behaviour and performance.
- To understand various theories of motivation for identifying how people are motivated.
- To understand what motivates Indian managers and workers for formulating suitable motivational strategy.

## Contents

- Concept of motivation
  - Motivation and behaviour
  - Motivation and performance
- Theories of motivation
  - Maslow's need hierarchy
  - Herzberg's motivation-hygiene theory
    - McClelland's need theory
    - Alderfer's ERG theory
    - Vroom's expectancy theory
    - Porter-Lawler model of motivation
    - Equity theory
  - Carrot and stick approach of motivation
    - Theory X and Y
    - Theory Z
    - Contingency Approach of motivation
  - Motivational pattern in Indian organisations

---

The average person puts only 25% of his energy and ability into his work. The world takes off its hat to those who put in more than 50% of their capacity, and stands on its head for those few and far between souls who devote 100%.

Andrew Carnegie, industrialist

There is nothing like universal elements of motivation. What motivates people is situational.

Anonymous

Motivation is one of the most important factors affecting human behaviour and performance. This is the reason why managers attach great importance to motivation in organisational setting. LipKert has called motivation as the core of management.<sup>1</sup> In the previous chapter, we have seen how effective directing leads to effectiveness, both at organisational and individual levels. This requires the understanding of what individuals want from the organisation. However, what individuals want from the organisation have not been fully identified there. The present chapter undertakes this phenomenon by analysing the concept of motivation and its various theories. How these theories can be applied in organisational practices, we shall see in the next chapter.

## Concept of Motivation

Today, virtually all people—lay people and scholars—have their own concept of motivation and they include various terms like motives, needs, wants, drives, desires, wishes, incentives, etc. in defining motivation. Technically, the term motivation can be traced to the Latin word *move*, which means "to move." In order to understand the concept of motivation, we have to examine three terms: motive, motivating and motivation and their relationship.

**Motive.** Based on the Latin word *move*, motive (need) has been defined as follows:

"A motive is an inner state that energises, activates, or moves (hence motivation), and that directs behaviour towards goals."<sup>2</sup>

Motive has also been described as follows:

"A motive is restlessness, a lack, a yen, a force. Once in the grip of a motive, the organism does something to reduce the restlessness, to remedy the lack, to alleviate the yen, to mitigate the force."<sup>3</sup>

Here, we can differentiate between needs and wants. While needs are more comprehensive and include desires—both physiological and psychological, wants are expressed in narrow sense and include only those desires for which a person has money and also the desire to spend the money to satisfy the wants. As we shall see later in this chapter, there are many psychological needs, like social needs, recognition needs, etc. which do not fall under the category of wants.

**Motivating.** Motivating is a term which implies that one person, in the organisational context, a manager, induces another, say employee, to engage in action (work behaviour) by ensuring that a channel to satisfy the motive becomes available and accessible to the individual. In addition to channelising the strong motives in a direction that is satisfying to both the organisation and the employees, the manager can also activate the latent motives in individuals and harness them in a manner that would be functional for the organisation.

**Motivation.** While a motive is energiser of action, motivating is the channelisation and activation of motives, motivation is the work behaviour itself. Motivation depends on motives and motivating, therefore, it becomes a complex process. For example, Dubin has defined motivation as follows:

<sup>1</sup>Rensis Likert, *New Patterns of Management*, New York: McGraw-Hill, 1961.

<sup>2</sup>Bernard Berelson and Garry A. Steiner, *Human Behaviour*, New York: Harcourt, Brace & World, 1964, p. 240

<sup>3</sup>Fillmore H. Sanford and Lorraine S. Wrightsman, *Psychology*, Belmont, Calif: Books Cole, 1970, p. 189.

"Motivation is the complex forces starting and keeping a person at work in an organisation. Motivation is something that moves the person to action, and continues him in the course of action already initiated".<sup>4</sup>

According to McFarland,

"Motivation refers to the way in which urges, drives, desires, aspirations, strivings, or needs direct, control or explain the behaviour of human beings".<sup>5</sup>

After defining motive, motivating, and motivation, we can now see the relationship among these. Such a relationship is presented in Figure 23.1.

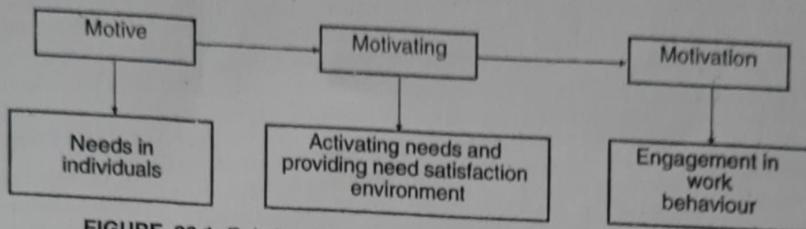


FIGURE 23.1: Relationship between motive, motivating and motivation

#### Nature of Motivation

#### Characteristics

Based on the definition of motivation, we can derive its nature relevant for human behaviour in organisation. Following characteristics of motivation clarify its nature:

1. **Based on Motives.** Motivation is based on individual's motives which are internal to the individual. These motives are in the form of feelings that the individual lacks something. In order to overcome this feeling of lackness, he tries to behave in a manner which helps in overcoming this feeling.

2. **Affected by Motivating.** Motivation is affected by way the individual is motivated. The act of motivating channelises need satisfaction. Besides, it can also activate the latent needs in the individual, that is, the needs that are less strong and somewhat dormant, and harness them in a manner that would be functional for the organisation.

3. **Goal-directed Behaviour.** Motivation leads to goal-directed behaviour. A goal-directed behaviour is one which satisfies the causes for which behaviour takes place. Motivation has profound influence on human behaviour; in the organisational context; it harnesses human energy to organisational requirements.

4. **Related to Satisfaction.** Motivation is related to satisfaction. Satisfaction refers to the contentment experiences of an individual which he derives out of need fulfilment. Thus, satisfaction is a consequence of rewards and punishments associated with past experiences. It provides means to analyse outcomes already experienced by the individual.

5. **Person Motivated in Totality.** A person is motivated in totality and not in part. Each individual in the organisation is a self-contained unit and his needs are interrelated. These affect his behaviour in different ways. Moreover, feeling of needs and their satisfaction is a continuous process. As such, these create continuity in behaviour.

6. **Complex Process.** Motivation is a complex process; complexity emerges because of the nature of needs and the type of behaviour that is attempted to satisfy those needs. These generate complexity in motivation process in the following ways;

<sup>4</sup>Robert Dubin, *Human Relations in Administration*, New Delhi: Prentice-Hall of India, 1974, p. 53.

<sup>5</sup>Dalton E. McFarland, *Management Principles and Practices*, New York: Macmillan, 1974, p. 537.

- (i) Needs are internal feelings of individuals and sometimes, even they, themselves, may not be quite aware about their needs and the priority of these. Thus, understanding of human needs and providing means for their satisfaction becomes difficult.
- (ii) Even if needs are identified, the problem is not over here as a particular need may result into different behaviours from different individuals because of their differences. For example, the need for promotion may be uniform for different individuals but all individuals may not engage in similar type of behaviour; they may adopt different routes to satisfy their promotion needs.
- (iii) A particular behaviour may emerge not only because of the specific need but it may be because of a variety of needs. For example, hard work in the organisation may be due to the need for earning more money to satisfy physiological needs, or may be to enjoy the performance of work itself and money becomes secondary, or to get recognition as a hard-working person.
- (iv) Goal-directed behaviour may not lead to goal attainment. There may be many constraints in the situation which may restrain the goal attainment of goal-directed behaviour. This may lead to frustration in an individual creating lot of problems.

#### Types of Needs

There are many needs which an individual may have and there are various ways in which these may be classified. The basic objective behind classification of needs into different categories is to find out similarity and dissimilarity in various needs so that incentives are grouped to satisfy the needs falling under one category or the other. From this point of view, a meaningful classification of needs is based on the sources through which needs emerge. Needs may be a natural, biological phenomenon in an individual, or these may develop over the period of time through learning. Since these two types of needs emerge from two different sources, these may be satisfied by different types of incentives. Besides, there are certain needs which are neither purely biological nor these are completely learned but fall in between the two. Therefore, a separate category has to be provided for these. Thus, needs may be grouped into three categories:

1. Primary needs
2. Secondary needs
3. General needs

**Primary Needs.** Primary needs are also known as physiological, biological, basic, or unlearned needs. However, the term primary is more comprehensive as compared to other terms. Primary needs are animal drives which are essential for survival. These needs are common to all human beings, though their intensity may differ. Some of the needs are food, sex, sleep, air to breathe, satisfactory temperature, etc. These needs arise out of the basic physiology of life and are important to survival and preservation of species. These needs are also conditioned by social practices. According to the concept of 'economic man,' these are the only wants of a human being and he attempts to satisfy them only. But researches in human behaviour show that psychological needs are equally rather more important for human beings.

**Secondary Needs.** As contrast to the primary needs, secondary needs are not natural but are learned by the individual through his experience and interaction. Therefore, these are also called learned or derived needs. Emergence of these needs depends on learning. This is the reason why we find differences among need pattern of a child and a matured individual. There may be different types of secondary needs like need for power, achievement, status, affiliation, etc.

#### MOTIVATION THEORIES

**General Needs.** Though a separate classification for general needs is not always given, such a category seems necessary because there are a number of needs which lie in the grey area between the primary and secondary classifications. To be included in this category, a need must not be learned but at the same time, it is not completely physiological. In fact, there are certain such needs like need for competence, curiosity, manipulation, affection, etc.

Here, we have just mentioned the classification of various needs into different categories for providing an understanding of the way needs emerge. Their detailed description will be provided in various theories of motivation, particularly based on contents, as these theories try to explain the different needs which people seek to satisfy.

#### MOTIVATION AND BEHAVIOUR

Motivation causes goal-directed behaviour as indicated in its nature. Feeling of a need by an individual generates a feeling that he lacks something. This lack of something creates tension in the mind of the individual. Since the tension is not an ideal state of mind, the individual tries to overcome this by engaging himself in a behaviour through which he satisfies his needs. This is goal-directed behaviour and is presented in Figure 23.2.

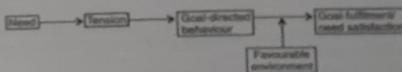


FIGURE 23.2: Goal-directed behaviour

Goal-directed behaviour leads to goal-fulfilment and the individual succeeds in fulfilling his needs and thereby overcoming his tension in the favourable environment. Behaviour ends the moment tension is released. However, satisfaction of one need leads to feeling of another need, either same need after the lapse of certain time or different need and goal-directed behaviour goes on. Thus, goal-directed behaviour is a continuous process.

#### Consequences of Non-fulfilment of Need

If the need is not satisfied even after the goal-directed behaviour, the person may feel frustration which can be defined here as the accumulation of tension because of non-fulfilment of needs. At this stage, the person will try to modify his behaviour to eliminate factors responsible for non-fulfilment of his needs, for example, putting more force for need satisfaction. However, there may be numerous such factors and many of them may be beyond his control. As such he is not able to remove the frustration through need satisfaction. Since frustration is not an ideal position for the person, he will try to bring him back by alternative behaviour.

The person would try to modify his behaviour to eliminate factors responsible for non-fulfilment of his need. However, the things blocking the person in achieving his goal are numerous and many of them may be beyond his control. He fails to control these factors and frustration remains there. There will be great variations in the behaviour, however, this can be generalised and may be presented in Figure 23.3.

1. Flight. One way of handling a frustration is to leave the field or withdraw from the scene. Employees quit jobs that prove to be frustrating.

## PRINCIPLES AND PRACTICE OF MANAGEMENT

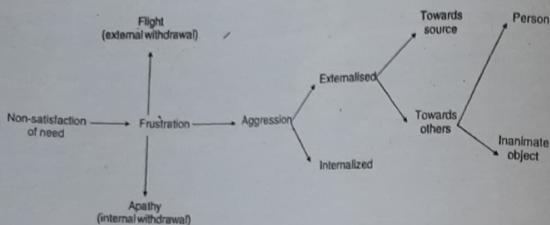


FIGURE 23.3: Reactions to non-satisfaction of needs.

**2. Apathy.** Another method of withdrawal is showing indifference. If an employee does not leave frustrating jobs physically, he may remain absent psychologically, that is reading on the job, daydreaming, thinking of almost anything except the work at hand, etc.

**3. Aggression.** A more common reaction to frustration is aggression, an act against someone or something. An employee being denied a promotion may become aggressive and verbally berate his superior.

The aggression may be internalised and in that case frustrated person finds fault with himself while the externalised aggression may be either to the source causing frustration (superior, etc.) or it may be displaced to others also. The displaced aggression may be either towards a person or towards inanimate object. For example, a frustrated employee, if not able to kick his superior causing frustration, may attack his wife or son. However, if this is not possible, he may kick an inanimate object, e.g., door or so.

## MOTIVATION AND PERFORMANCE

Motivation is necessary for work performance because if people do not feel inclined to engage themselves in work behaviour, they will not put in necessary efforts to perform well. However, performance of an individual in the organisation depends on a variety of factors besides motivation. Therefore, it is desirable to identify various factors which affect individual performance and the role that motivation plays in this.

## Factors Affecting Individual Performance

Observations show that (1) various individuals perform differently in the same work situations, and (2) the same individual performs differently in different work situations. These statements suggest that various factors which affect an individual's performance are broadly of two types—individual and situational—and within each type, there may be several factors as shown in Figure 23.4 (page 571).

We can derive from Figure 23.4 that individual performance depends on the following factors:

1. motivation of individual,
2. his sense of competence,
3. his ability,
4. his role perception, and
5. organisational resources.

## MOTIVATION THEORIES

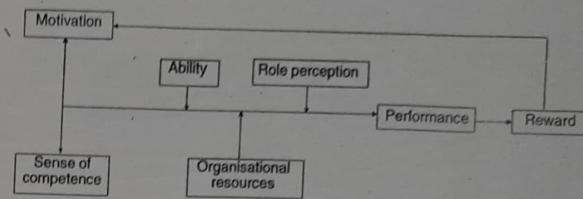


FIGURE 23.4: Factors affecting individual performance

If any of the elements is taken away, performance will be affected adversely. The double-headed arrow between motivation and sense of competence indicates that the two variables mutually influence each other. Reward, as a result of individual's performance affects his level of motivation. If the reward is perceived to be of value and equitable, it energises the individual for still better performance and this process goes on. Let us have a brief discussion on these factors:

**1. Motivation.** Level of motivation drives an individual for work. As we have seen earlier, motivation is based on motive which is a feeling that an individual lacks some things. This feeling creates some sort of tension in his mind. In order to overcome this tension, he engages in goal-directed behaviour, that is, taking those actions through which his needs are satisfied. Thus, motivation becomes a prime mover for efforts and better work performance. Other roles of motivation will be seen little later.

**2. Sense of Competence.** Sense of competence denotes the extent to which an individual consistently regards himself as capable of doing a job. Sense of competence of an individual depends to a very great extent on his locus of control. Locus of control means whether people believe that they are in control of events or events control them. Those who have internal locus of control believe that they can control and shape the course of events in their lives; those who have external locus of control tend to believe that events occur purely by chance or because of factors beyond their own control. An individual with internal locus of control tends to be high performer than those with external locus of control. However, this sense of competence is not an independent factor but depends on the ability of the individual.

**3. Ability.** While sense of competence is a type of perception about oneself, ability is his personal attributes relevant for doing a job. Often, ability is expressed in the form of the following equation:

$$\text{Ability} = \text{Knowledge} \times \text{Skill}$$

Knowledge refers to the possession of information and ideas in a particular field which may be helpful in developing relationships among different variables related to that field. Skill refers to expertise, practical ability or facility in an action or doing something. Thus, if the individual has ability relevant to his job, his performance tends to be higher than those who do not possess such ability.

**4. Role Perception.** A role is the pattern of actions expected of a person in activities involving others. Role reflects a person's position in the social system with its accompanying rights and obligations. In an organisation, activities of an

individual are guided by his role perception, that is, how he thinks he is supposed to act in his own role and how others act in their role. To the extent this role perception is based on reality and the role is clear, the individual tends to perform well. There are two types of problems which emerge in role specification: role ambiguity and role conflict. Role ambiguity denotes the state in which the individual is not clear what is expected from him in the job situation. Role conflict, as we have seen in Chapter 16, is the situation in which the individual engages in two or more roles simultaneously and these roles are mutually incompatible. In both these situations, his performance is likely to be affected adversely.

**5. Organisational Resources.** Organisational resources denote various types of facilities—physical and psychological—which are available at the workplace. Physical facilities include appropriate layout of the workplace and conductive physical environment. Psychological facilities include appropriate reward system, training and development facilities, harmonious workgroup, appropriate and motivating leadership styles, motivating work, and so on. These organisational resources work in two ways in increasing individual performance. *First*, they facilitate job performance. *Second*, they work as motivating factors which enhance individual enthusiasm to perform well.

#### Role of Motivation

From the above discussion, we find that motivation is one among the various factors affecting individual performance. However, it is one of the most important factors. All organisational facilities will go waste in the lack of motivated people to utilise these facilities effectively. Every superior in the organisation must motivate his subordinates for the right types of behaviour. Diagnosing human behaviour and analysing as to why people behave in a particular way is of prime importance in motivating them irrespective of the nature of the organisation because individual is the basic component of any organisation. The importance of motivation in an organisation may be summed up as follows:

**1. High Performance Level.** Motivated employees put higher performance as compared to other employees. In a study by William James, it was found that motivated employees worked at close to 80-90 per cent of their ability. The study further suggested that hourly employees could maintain their jobs, if they were not fired, by working approximately 20 to 30 per cent of their ability. The high performance is a must for an organisation being successful and this performance comes by motivation.

**2. Low Employee Turnover and Absenteeism.** Motivated employees stay in the organisation and their absenteeism is quite low. High turnover and absenteeism create many problems in the organisation. Recruiting, training and developing large number of new personnel into a working team take years. In a competitive economy, this is almost an impossible task. Moreover, this also affects the reputation of the organisation unfavourably.

**3. Acceptance of Organisational Changes.** Organisations are created in the society. Because of changes in the society—changes in technology, value system, etc., time. When these changes are introduced in the organisation, there is a tendency to resist these changes by the employees. However, if they are properly motivated, they accept, introduce and implement these changes keeping the organisation on the right track of progress.

#### Theories of Motivation

From the very beginning, when human organisations were established, people had tried to find out the answer of 'what motivates people in the organisation most.' The starting was made by Frederic W. Taylor and his followers Frank Gilbreth, Lillian Gilbreth, and Henary Gantt, in the form of scientific management and more particularly 'differential piece rate system'. This system was concerned with using financial incentives to motivate people in the organisational context. Then came the findings of human relations which emphasised security and working conditions at the job besides financial incentives for work motivation. In early 1960s, those concerned with work motivation started to search for a new theoretical foundation and to attempt to devise new techniques for application. The earlier part of these approaches was based on the types of needs that people had and the way these needs could be satisfied so that people would be motivated. These theories are known as 'content theories of motivation'. Maslow gave the theory of need hierarchy; Herzberg proposed two-factor theory; McClelland emphasised on power, affiliation, and achievement motives; and Alderfer proposed three groups of core needs: existence, relatedness, and growth (ERG model).

Because of lack of uniform findings in various researches based on the content approaches, scholars tried to find out the process involved in motivation which led to the emergence of 'process theories of motivation'. These theories are more concerned with the cognitive antecedents that go into motivation or effort and with the way they affect each other. Vroom proposed the theory of work motivation based on valence and expectancy. Porter and Lawler made some refinements in Vroom's model and suggested their own model. Behaviourists added the concept of equity to these models and proposed the 'equity theory of work motivation'.

Some scholars tried to relate the nature of human beings with the work motivation. Though these propositions are not confined to work motivation, they offer some insights in understanding work motivation. Prominent theories in this group are McGregor's theories X and Y, and Ouchi's theory Z.

A caution for grouping various theories into categories is that there may be overlapping in this grouping. Various theories of motivation approach the problems of motivation from different perspectives, but they all emphasise similar set of relationships. These relationships are the individual, his needs, his perception of how he will be able to satisfy his needs, and whether his need satisfaction is equitable. All these theories have their relevance only in particular context, and when the context changes, they may not work because they are not unified theories which can be applied in all situations. Therefore, *contingency theory of motivation* is required. However, contingency theory has not been fully developed as yet. Now let us go through various theories of motivation to find out what they propose and offer implications for motivating people in organisations.

#### MASLOW'S NEED HIERARCHY

The behaviour of an individual at a particular moment is usually determined by his strongest need. Psychologists claim that needs have a certain priority. As the more basic needs are satisfied, an individual seeks to satisfy the higher needs. If his basic needs are not met, efforts to satisfy the higher needs should be postponed. A.H. Maslow, a famous social scientist, has given a framework that helps to explain the strength of certain needs.<sup>6</sup> According to him, there seems to be a hierarchy into which human needs are arranged as shown in Figure 23.5 (page 574).

**1. Physiological Needs.** The physiological needs are at the top of the hierarchy because they tend to have the highest strength until they are reasonably satisfied.

<sup>6</sup> Abraham H. Maslow, *Motivation and Personality*, New York: Harper & Roy, 1954.

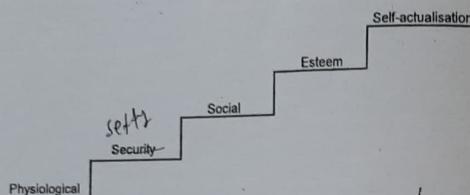


FIGURE 23.5: Maslow's need hierarchy

Until these needs are satisfied to the degree needed for the efficient operation of the body, the majority of a person's activities will probably be at this level, and the other levels will provide him with little motivation. A famous saying 'man can live on bread alone if there is no bread' suggests that human beings first try to acquire necessities for their survival.

**2. Safety Needs.** Once the physiological needs are satisfied to a reasonable level—it is not necessary that they are fully satisfied and degree of reasonableness is subjective—other levels of needs become important. In this hierarchy come the need for safety, that is need for being free of physical danger or self-preservation. In the industrial society, safety needs may take considerable importance in the context of the dependent relationship of employees to employers. As pointed out by McGregor, the safety needs may serve as motivators in such circumstances as arbitrary management actions, behaviour which arouses uncertainty with respect to continued unemployment and unpredictable administration of policy.<sup>7</sup> Peter F. Drucker has suggested that one's attitude towards security is an important consideration in choosing a job.<sup>8</sup> Organisation can influence these security needs either positively—through pension plan, insurance plan, etc.—or negatively by arousing fears of being fired or laid off, or demoted.

**3. Social Needs.** After the first two needs are satisfied, social needs become important in the need hierarchy. Since man is a social being, he has a need to belong and to be accepted by various groups. When social needs become dominant, a person will strive for meaningful relations with others. If the opportunity for association with other people is reduced, men often take vigorous action against the obstacles to social intercourse. In the organisation, workers form informal group environment. Such environment develops where the work is routine, tedious or over-simplified. This situation is made worse when workers are closely supervised and controlled, but have no clear channel of communication with management. In this type of environment, workers depend on informal groups for support of unfulfilled social needs such as affiliation.

**4. Esteem Needs.** The esteem needs are concerned with self-respect, self-confidence, a feeling of personal worth, feeling of being unique and recognition. Satisfaction of these needs produces feelings of self-confidence, prestige, power and control. The satisfaction of esteem needs is not always obtained through mature or adaptive behaviour. It is sometimes generated by disruptive and irresponsible actions. Some of the social problems have their roots in the frustration of the esteem needs.

<sup>7</sup>Douglas McGregor, *The Human Side of Enterprise*, New York: McGraw-Hill, 1967.

<sup>8</sup>Peter F. Drucker, 'How to be an Employee', *Psychology Today*, March, 1968.

**5. Self-actualisation Needs.** Self-actualisation is the need to maximise one's potential, whatever it may be. This is related with the development of intrinsic capabilities which lead people to seek situations that can utilise their potential. This includes competence which implies control over environmental factors, both physical and social, and achievement. A man with high intensity of achievement needs will be restless unless he can find fulfilment in doing what he is fit to do. As Maslow has put it, "this need might be phrased as the desire to become more and more what one is, to become everything that one is capable of becoming".

Maslow suggests that the various levels are interdependent and overlapping, each higher-level need emerging before the lower-level need has been completely satisfied. Since one need does not disappear when another emerges, all needs tend to be partially satisfied in each area. When the peak of a need is passed, that need ceases to be the primary motivator. The next level need then begins to dominate. Even though a need is satisfied, it still influences behaviour because of interdependent and overlapping characteristics of needs. This relationship among different needs has been shown in Figure 23.6.

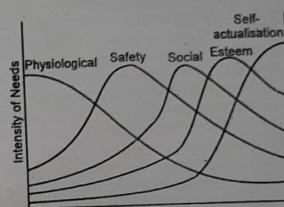


FIGURE 23.6: Relationship of new level of needs

#### Critical Analysis of Maslow's Theory

Maslow's theory has reasonable support for the hypothesis that human needs have some hierarchical order. The theory is based on the assumption, it is true also, that man is continuously wanting. All his needs are never fully satisfied. As soon as one need is reasonably satisfied, its prepotency diminishes and another need emerges to replace it. Thus, at last, some needs remain unsatisfied which serve the man to strive to satisfy. Thus, it presents a very simple solution of managerial problems, that is, managers can try to satisfy the needs of people in this particular order. But this raises a basic question: Is need hierarchy rigid? Does every person try to satisfy his needs according to this model? If the answers are in positive, there is no problem in motivating people. However, it is not so. The hierarchy is not so rigid for all the individuals and all the times. Identified below are few problems which are not adequately solved by this theory:

- There is lack of hierarchical structure of needs as suggested by Maslow, though every individual has some ordering for his need satisfaction. This is based on the assumption that man has limited resources which he can use alternatively. Resources, here, cannot be taken only in a physical way, rather it is used in more comprehensive way. Naturally, every person has to satisfy his needs in some order. However, this order may not follow Maslow's need hierarchy. This has been demonstrated by a large number of researches both in foreign countries as well as in India. Following generalisations can be drawn on the basis of these studies—both in foreign countries and in India:

- (i) Some people may be deprived of their lower order needs but may try for self-actualising needs. The example of Mahatma Gandhi is one of the most important. This does not require any further explanation.
- (ii) There are certain persons for whom self-esteem needs are more important than social needs. Such people may be those who seek self-assertion as a means to an end, that is, love need.
- (iii) There is considerable disordering among physiological needs, safety needs, social needs, and esteem needs, particularly in organisational context. For example, many people do not care for job security (security need) but care for social need. Similarly, many people may not care for social need but for self-esteem need.
- (iv) For certain people, many of the needs may not form part of their own need hierarchy. Thus, there is not only question for reversal of hierarchy but also discontinuity of hierarchy. For example, there may be people who might be deprived of social need from their childhood. They may develop apathy towards such needs, though it is just possible that they may develop high order for such need.
2. There is another problem, which is common with many other theories also, that there is often a lack of direct cause-effect relationship between need and behaviour. This problem has been discussed earlier in the chapter. Thus, a particular need may cause behaviour in different ways in different persons. Similarly, one particular behaviour may be the result of different needs. For example, if a person is thirsty, he may take water, or some soft drink, or some juice. Similarly, people may earn money to satisfy several types of needs, not only physiological needs. Thus, need hierarchy is not as simple as it seems to be.
3. There is another problem in applying the theory into practice. A person tries for his higher-level need when his lower-order need is reasonably satisfied. What is this reasonable level is a question of subjective matter. Thus, the level of satisfaction for particular need may differ from person to person. Infact, needs and their satisfaction are mental feeling. Sometimes, even the person concerned may not be aware about his own needs. The question is: how can a manager know the needs of others?

These are some basic problems involved in the application of Maslow's need hierarchy model. At every level of needs, it can be seen that the role of individual is very important. Since individuals differ, it may not be quite possible to prescribe one standard action for solving motivational problems of all persons, rather, a contingency approach has to be applied.

#### HERZBERG'S MOTIVATION-HYGIENE THEORY

Need priority, to a great extent, characterises the types of behaviour. It will be either directed towards achieving certain desirable positive goals, or conversely, towards avoiding other undesirable, negative consequences. Thus, a question may arise as to what variables are perceived to be desirable goals to achieve, and conversely, undesirable conditions to avoid. In this connection, a research study was conducted by Frederick Herzberg and associates of Case-Western Reserve University.<sup>9</sup> This study consisted of an intensive analysis of the experiences and feelings of 200 engineers and accountants in nine different companies in Pittsburgh area, U.S.A. During the structured interview, they were asked to describe a few previous job experiences in which they felt 'exceptionally good' or 'exceptionally bad' about jobs. They were also asked to rate the degree to which their feelings were influenced—for better or worse—by each experience which they described.

<sup>9</sup>Frederick Herzberg, Bernard Mausner and Barbara Synderman, *The Motivation to Work*, New York: John Wiley, 1959; and Frederick Herzberg, *Work and the Nature of Man*, Cleveland: World Publishing, 1966.

#### MOTIVATION THEORIES

On analysing the information from the interview, Herzberg concluded that there were two categories of needs essentially independent of each other affecting behaviour in different ways. His findings are that there are some job conditions which operate primarily to dissatisfaction employees when the conditions are absent, however, their presence does not motivate them in a strong way. Another set of job conditions operates primarily to build strong motivation and high job satisfaction, but their absence rarely proves strongly dissatisfaction. The first set of job conditions has been referred to as maintenance or hygiene factors and second set of job conditions as motivational factors.

##### Hygiene Factors

According to Herzberg, there are ten maintenance or hygiene factors. These are company policy and administration, technical supervision, interpersonal relationship with supervisors, interpersonal relationship with peers, interpersonal relationship with subordinates, salary, job security, personal life, working conditions and status. These are not intrinsic parts of a job, but they are related to conditions under which a job is performed. They produce no growth in a worker's output; they only prevent losses in worker's performance due to work restrictions. These maintenance factors are necessary to maintain at a reasonable level of satisfaction in employees. Any increase beyond this level will not provide any satisfaction to the employees; however, any cut below this level will dissatisfaction them. As such, these are also called as *dissatisfiers*. Since any increase in these factors will not affect employee's level of satisfaction, these are of no use for motivating them.

##### Motivational factors

These factors are capable of having a positive effect on job satisfaction often resulting in an increase in one's total output. Herzberg includes six factors that motivate employees. These are: achievement, recognition, advancement, work itself, possibility of growth, and responsibility. Most of these factors are related with job contents. An increase in these factors will satisfy the employees; however, any decrease will not affect their level of satisfaction. Since these increase level of satisfaction in the employees, these can be used in motivating them for higher output.

Herzberg maintains that potency of various factors is not entirely a function of the factors themselves. It is also influenced by the personality characteristics of the individuals. From this point of view, individuals may be classified into two groups—motivation seekers and maintenance seekers. The motivation seeker generally are individuals who are primarily motivated by the 'satisfiers' such as advancement, achievement and other factors associated with work itself. On the other hand, the maintenance seekers tend to be more concerned with factor surrounding the job such as supervision, working conditions, pay, etc.

##### Critical Analysis of the Theory

Herzberg's model is based on the fact that most of the people are able to satisfy the lower-order needs considerably. As such, they are not motivated by any further addition of satisfaction of these needs. This is true which has been supported by many studies, both in India and foreign countries. Herzberg's model has been applied in the industry and has given several new insights. One of these insight is that they have more motivators than before. The idea behind job enrichment is to keep maintenance factors constant or higher while increasing motivational factors. Job enrichment is different from job enlargement practised earlier to make job more attractive. In job enlargement, the basic idea is to change the job to become more complicated and varied so that monotony goes off, while job enrichment seek to bring more motivators to the job by attaching more responsibility, more intrinsically.

satisfying work conditions and more power over the environment. Thus, Herzberg's model has solved the problems of managers who were wondering why their fancy personnel policies failed to motivate their employees adequately.

However, Herzberg's model is not applied in all conditions. This has been amply suggested by various research studies, again both in India and in foreign countries. For example, there is considerable amount of mixing of maintenance and motivating factors. Therefore, these findings suggest that various factors relating to jobs, whether intrinsic or extrinsic, may not be classified into maintenance and motivating factors. This classification can only be made on the basis of level of person's valuing factors. The research studies need satisfaction and relative strength of various needs. Besides, the research studies confronting the two factors—satisfiers and dissatisfiers—many writers and thinkers on the subject have argued against the theory as follows:

1. In fact, job satisfaction and dissatisfaction are two opposite points on a single continuum. Individuals on the job are affected by any change either in the job environment or in the job content.
2. Herzberg's model is 'method bound', and a number of other methods used for similar study have shown different results not supporting his contentions. Thus, the theory has limitations in general acceptability.
3. This theory does not attach much importance to pay, status, or interpersonal relationships which are held generally as important contents of satisfaction.

#### Comparison of Herzberg and Maslow Models

When Herzberg and Maslow models are compared, it can be seen that both the models focus their attention on the same relationship that is what motivates an individual. Maslow has given it in terms of need hierarchy and has suggested how people try for comparatively higher-level needs. Thus, any unsatisfied need becomes a motivating factor for the individual and governs his behaviour in that direction. In comparatively socially and economically advanced countries, most of the lower-order needs are fulfilled and for people, only higher-level needs remain motivating factors. This is what Herzberg has suggested. Most of his maintenance factors come under comparatively lower-order needs. Most of these needs remain satisfied and hence cease to be motivators.

Figure 23.7 shows the need hierarchy of Maslow with self-actualisation at the top considering that other needs are reasonably well satisfied. Maslow's physiological, security and social needs come under Herzberg's maintenance factors while self-actualisation under motivating factors. There are some divisions of esteem need: some parts coming under maintenance factors, e.g., status, and others, advancement and recognition, going under motivational factors.

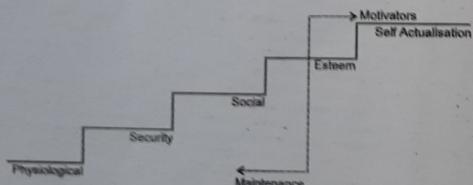


FIGURE 23.7: Relationship between Herzberg and Maslow models

#### MOTIVATION THEORIES

There is a particular difference between the two models. Maslow emphasises that any unsatisfied need whether of lower order or higher order will motivate individuals. Thus, it has universality in its applicability. It can be applied to lower-level workers as well as higher-level managers. In underdeveloped countries, where because of lack of socio-economic progress, even lower-order needs are not reasonably satisfied, such needs are motivating factors. According to Herzberg, these are hygiene factors and fail to motivate workers.

#### McClelland's NEEDS THEORY

Shortly after World War II, a group of psychologists led by David C. McClelland of Harvard University began to experiment with TAT (Thematic Apperception Test) to see if it were sensitive enough to detect changes in motivation that were caused by simple attempts to sway the individual's attitudes. In order to simplify the task, the group decided to select one particular motive for intensive analysis. For, it was not long before the implications of the achievement motive were recognised that it became the subject of intensive investigation in its own right.

McClelland has identified three types of basic motivating needs. He classified these as need for power ( $n/PWR$ ), need for affiliation ( $n/AFF$ ), and need for achievement ( $n/ACH$ ).<sup>10</sup> Considerable research work was done by McClelland and his associates in this respect, particularly, on achievement motive.

**Power Motive.** The ability to induce or influence behaviour is power. Power motive has been formally recognised and studied for a relatively long time. The leading advocate of the power motive was Alfred Adler. To explain the power need, the need to manipulate others or the drive for superiority over others, Adler developed the concepts of inferiority complex and compensation. Accordingly, the individual's life style is characterised by striving to compensate for the feelings of inferiority which are combined with the innate drive for power. McClelland and his associates have found that people with a high power need have a great concern for exercising influence and control. Such individuals generally seek positions of leadership; they involve in conversation, they are forceful, outspoken, hard headed, and demanding.

**Affiliation Motive.** Since people are social animals, most individuals like to interact and be with others in situations where they feel they belong and are accepted. Sometimes affiliation is equated with social motives. However, the affiliation motive is not so broad. Affiliation plays a very complex but vital role in human behaviour. The study of affiliation is complicated by the fact that some behavioural scientists believe that it is an unlearned motive. However, the fact is partly true. McClelland has suggested that people with high need for affiliation usually derive pleasure from being loved and tend to avoid the pain of being rejected. They are concerned with maintaining pleasant social relationship, enjoying a sense of intimacy and understanding, and enjoy consoling and helping others in trouble.

**Achievement Motive.** Over the years, behavioural scientists have observed that some people have an intense desire to achieve. McClelland's research has led him to believe that the need for achievement is a distinct human motive that can be distinguished from other needs. It can also be isolated and assessed in any group. McClelland has identified four basic characteristics of high achievers:

**1. Moderate Risks.** Taking moderate risks is probably the simple most descriptive characteristic of the person possessing high achievement need. This is against the common sense that a high achiever would take high risks.

<sup>10</sup>David C. McClelland, *The Achievement Motive*, New York: Appleton-Century-Crofts, 1953.

## MOTIVATION THEORIES

**6. Leaving the Situation.** If the person is not able to re-establish equity by the methods described above, he may try to change the situation in which he perceives inequity. He may opt for transfer to another department or location in the same organisation or may leave the organisation.

### Implications of the Theory

Equity theory has a number of implications for managers. First, the theory makes managers realise that equity motive tends to be one of the most important motives of the people in the organisation. Therefore, equity concept should be given adequate considerations in designing motivation system. "Equal pay for equal work" principle is based on this theory. Second, feelings or perceptions in equity work" principle factor in work setting. Therefore, management should take this aspect into consideration and attempt should be made to develop the perceptual skills of the people. However, there are some practical difficulties in applying equity theory due to many qualitative and cognitive factors involved. First, it is difficult to assess the perception (or misperception) of people about the relevant inputs/outcomes relationships. Second, equity is a matter of comparison. The relevant question in this context is: "how does a person choose the comparison person? The process by which the person decides whom to compare himself with is not clearly understood as yet. Third, equity theory does not specify the actions which a person will take to re-establish equity if he perceives inequity. Notwithstanding, the concept of equity has its relevance in motivation which has been recognised both in theory and practice.

## CARROT AND STICK APPROACH OF MOTIVATION

Carrot and stick approach of motivation is based on the 'principles of reinforcement' which we have discussed in the next chapter. The 'carrot and stick approach' motivation comes from the old story that the best way to make a donkey move is put a carrot out in front of him or jab him with a stick from behind. The carrot is reward for moving and the stick is the punishment for not moving. The carrot is the stick approach of motivation takes the same view. In motivating the behaviour that is desirable, some carrots, rewards, are used such as promotion, and other financial and non-financial factors; some sticks, punishment are used to push the people for desired behaviour or to refrain from undesirable behaviour. The punishment may be defined as presenting an aversive or n

These still form the basis of motivation, the terms 'carrot and stick' are a requirement certain controls and influences over its external and internal environment. The control of internal environment is largely a mechanism of influence. This can be explained in overt or implied reward and punishment. Organisations build reward and punishment system and achieve its objectives through many of the factors cannot be provided by structure in their formal punishment factors, particularly the informal groups. Further, many of the rewards of the organisation which are affected by external environment, for example, social prestige of a member in the informal groups. The role of carrots has been adequately explained by various theories when these analyse what people want to get from their performance and non-financial, as discussed later in the next chapter. Such rewards may be k

The role of carrots has been adequately explained by various theories when these analyse what people want to get from their performance and positive aspect of behaviour and its rewards. Such rewards may be k to engage in positive behaviour or overcoming negative behaviour, the stick also not as forceful as the role of carrot in getting positive behaviour in mo

The basic reason for this phenomenon is that stick is not controlled by the organisation alone but many other forces also come in the picture. In order to make the stick work more effectively, following points should be taken into consideration while using it:

1. Punishment is effective in modifying the behaviour if it forces the person to select a desirable alternative behaviour that is then rewarded.
2. If the above does not occur, the behaviour will be only temporarily suppressed and will reappear when the punishment is removed. Furthermore, the suppressed behaviour may cause the person to be fearful and anxious.
3. Punishment is more effective if applied at the time when the undesirable behaviour is actually performed.
4. Punishment must be administered with extreme care so that it does not become reward for undesirable behaviour. A punishment, from one point of view, may become a reward for the person concerned.

The mixture of both carrot and stick should be used judiciously so that both have positive effects on the motivational profile of the people in the organisation.

#### McGREGOR'S THEORY X AND THEORY Y

The management's action of motivating human beings in the organisation, according to McGregor, involves certain assumptions, generalisations and hypotheses relating to human behaviour and human nature. These assumptions may be neither consciously crystallised nor overtly stated; however, these serve the purpose of predicting human behaviour. The basic assumptions about human behaviour may differ considerably because of the complexity of factors influencing this behaviour. McGregor has characterised these assumptions in two opposite points, Theory X and Theory Y.

**Theory X.** This is the traditional theory of human behaviour. In this theory, McGregor has certain assumptions about human behaviour. In his own words, these assumptions are as follows:<sup>18</sup>

1. Management is responsible for organising the elements of productive enterprises—money, materials, equipment, people—in the interest of economic ends.
2. With respect to people, this is a process of directing their efforts, motivating them, controlling their actions, modifying their behaviour to fit the needs of the organisation.
3. Without this active intervention by management, people would be passive—even resistant—to organisational needs. They must be persuaded, rewarded, punished, controlled, and their activities must be directed. This is management's task. We often sum it up by saying that management consists of getting things done through other people.
4. The average man is by nature indolent—he works as little as possible.
5. He lacks ambition, dislikes responsibility, prefers to be led.
6. He is inherently self-centered, indifferent to organisational needs.
7. He is, by nature, resistant to change.
8. He is gullible, not very bright, the ready dupe of charlatan and the demagogue.

Of these assumptions, last five deal with the human nature and first three with managerial actions. These assumptions about human nature are negative in their approach, however much organisational processes have developed on these assumptions. Managers subscribing these views about human nature attempt to

<sup>18</sup> McGregor, *op.cit.*, pp. 46-47.

#### OF MANAGEMENT

by the organisation to make the stick

is the person to

arly suppressed  
more, the sup-  
is.

desirable behav-  
our is

does not become  
int of view, may

sly so that both  
organisation.

In this theory,  
in words, these

productive enter-  
conomic ends.  
rts, motivating  
he needs of the

be passive—  
led, rewarded,  
management's  
getting things  
ole.

demagogue.  
rst three with  
ative in their  
ed on these  
e attempt to

#### MOTIVATION THEORIES

structure, control and closely supervise their employees. They feel that external control is most appropriate for dealing with irresponsible and immature employees. McGregor believes that these assumptions about human nature have not changed drastically though there is a considerable change in behavioural pattern. He argues that this change is not because of changes in the human nature, but because of nature of industrial organisation, management philosophy, policy, and practice.

**Theory Y.** The assumptions of Theory Y are described by McGregor in the following words:<sup>19</sup>

1. The expenditure of physical and mental effort in work is natural as play or rest. The average human being does not inherently dislike work. Depending upon controllable conditions, work may be a source of satisfaction or a source of punishment.
2. External control and the threat of punishment are not the only means for bringing about effort towards organisational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.
3. Commitment to objectives is a function of the reward associated with their achievement. The most significant of such awards, e.g. the satisfaction of ego and self-actualisation needs, can be a direct product of effort directed towards organisational objectives.
4. The average human being learns under proper conditions not only to accept, but to seek responsibility. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics.
5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population.
6. Under the conditions of modern industrial life, the intellectual potentialities of the average human beings are only partially utilised.

The assumptions of Theory Y suggest a new approach in management. It emphasises on the cooperative endeavour of management and employees. The attempt is to get maximum output with minimum amount of control and direction. Generally, no conflict is visible between organisational goals and individual goals. Thus, the attempts of employees which are in their best interests are also in the interests of organisation.

#### Comparison of Theories X and Y

Both theories have certain assumptions about human nature. In fact, they are reverse sides of a coin, one representing head and the other representing tail. Thus, these assumptions seem to be mutually exclusive. The difference between two sets of assumptions can be visualised as follows:

1. Theory X assumes human beings to be inherently distasteful towards work. Theory Y assumes that for human beings, work is as natural as play.
2. Theory X emphasises that people do not have ambitions and try to avoid responsibilities in jobs. The assumptions under Theory Y are just the reverse.
3. According to Theory X, most people have little capacity for creativity while according to Theory Y, the capacity for creativity is widely distributed in the population.
4. In Theory X, motivating factors are the lower needs. In Theory Y, higher order needs are more important for motivation, though unsatisfied lower needs are also important.

<sup>19</sup> *Ibid.*, pp. 47-48.

5. In Theory X, people lack self-motivation and require to be externally controlled and closely supervised to get maximum output from them. In Theory Y, people are self-directed and creative and prefer self-control.
6. Theory X emphasises scalar chain system and centralisation of authority in the organisation while Theory Y emphasises decentralisation and greater participation in the decision-making process.
7. Theory X emphasises autocratic leadership; Theory Y emphasises democratic and supportive leadership styles.

#### Implications of Theories X and Y

McGregor's assumptions in terms of Theory X and Theory Y are based on Maslow's need hierarchy model. In the beginning, when the concept of 'economic man' was accepted, some writers emphasised only on the satisfaction of physiological and safety needs. These were the basic constituents of the motivation model. However, because of changes in the value systems and social systems, higher-order needs were emphasised for human beings and these needs mostly replaced lower-order needs as constituents of motivation model. Similarly, assumptions under Theory X are being replaced by assumptions under Theory Y. This is being reflected in the managerial styles and techniques. Today we emphasise management by objectives, management by integration and self-control, supportive management, decentralisation, job enrichment etc. These techniques are applicable in the organisations where self-motivated, self-controlled, mature, and responsible people work. McGregor believes that recent researches in the behavioural sciences have shown that the assumptions of what he calls Theory Y may be more valid than the precepts of Theory X.

The major implications of Theories X and Y may be seen in the management process which are presented in Table 23.2. It may be mentioned that these processes are not based on any conclusive proof of research studies but present a conjectural view based on assumptions of theories X and Y.

TABLE 23.2: Management processes with theories X and Y

Management activities	Theory X	Theory Y
1. Planning	Superior sets objectives for subordinates, Little participation in objective setting and plan formulation, Few alternatives are explored, Low commitment to objectives and plan. Autocratic leadership based on authority,	Superior and subordinate set objectives jointly, Great deal of participation in objective setting and plan formulation, Many alternatives are explored, High commitment to objectives and plans. Participation and teamwork leadership based on competence,
2. Directing	Top-down communication with little feedback, Limited information flow. Low trust in appraisal, Control is extreme and rigid, Focus on past and fault finding.	Two-way communication with plenty of feedback, Free information flow. High trust in appraisal, Internal control based on self-control, Based on past but forward looking and problem solving.
3. Appraising and controlling		

#### MANAGEMENT

controlled  
Y, people  
ity in the  
participa-  
democratic

Maslow's  
man' was  
ical and  
model.  
systems,  
mostly  
milarly,  
theory Y.  
day we  
n and  
z. These  
tivated,  
it recent  
what he

gement  
processes  
jectural

—  
—

—  
—

—  
—

—  
—

—  
—

—  
—

#### MOTIVATION THEORIES

Thus, it can be seen that management assumptions about the nature of human beings are very critical in determining the management processes including motivation.

#### THEORY Z *IMB7-D*

Theory Z describes the major postulates of Japanese management practices and how these practices can be adopted to the environment of United States and other countries.<sup>20</sup> It can be made clear that the letter Z does not stand for anything; it is merely the last letter of the alphabet. It is just to denote the state of affairs in organisation and human behaviour as has been done in the case of theories X and Y. Further, Theory Z is not a theory; it is a label interchangeable with the type Z. The redundant expression 'Theory Z' was adopted not for analytical or descriptive purposes but, perhaps, for promotional purposes. Ouchi, who has given Theory Z, has made a comparative study of American and Japanese management practices and has recommended that many Japanese management practices can be adopted in American context.

#### Features of Theory Z

[Based on Japanese management practices and motivational pattern, Ouchi has suggested five broad features of Theory Z.] These are trust, strong bond between organisation and employees, employee involvement, no formal structure, and the role of managers to bring coordination in human beings rather than in technical factors.

1. Trust. Trust is the first postulate of Theory Z. By trust, Ouchi means trust between employees, supervisors, work groups, unions, management and government. According to him, trust, integrity and openness are closely related. These are essential ingredients of effective organisations. When an organisation relies on these principles, employees tend to cooperate to the maximum extent. When trust and openness exist, the chances of conflict are automatically reduced to the minimum.

2. Strong Bond between Organisation and Employees. Theory Z suggests strong bond between organisation and its employees. Ouchi has suggested certain methods for this, including the life-time employment in the organisation as being followed by Japanese organisations.] This stability must be achieved through the provisions of highly conducive work environment and challenges and participation in decisions. [When there is a situation of lay off, it should not be resorted to and shareholders and owners can share the resultant loss by accepting less profits or even moderate losses for a short period of time. Another factor necessary for stability of employment is the slowing down of evaluation and promotion which brings saturation in employees' prospects very soon.] As against vertical movement of employees, more emphasis should be placed on horizontal movement which reduces stagnation. A career planning for employees should be prepared so that every employee is suitably placed. Slowing down of promotion and financial incentives can be made up by non-financial forms of evaluation such as frequent involvement with superiors or projects. They communicate the expectation of greater income in the future without creating short-term incentives.

3. Employee Involvement. Employee involvement is an important factor in Theory Z. The involvement comes through meaningful participation. However, it does not mean that employee's participation is necessary in all decisions. In fact, there can be some decisions which are taken without consulting employees but they are informed later. There can be some decisions where employees' suggestions are taken but the final decisions are made by management. In the case of remaining decisions, the

<sup>20</sup>William G. Ouchi, *Theory Z: How American Business can meet the Japanese Challenge*, Reading, Mass., Addison-Wesley, 1981.

process should be a joint one. However, any decision affecting employees in any way should be taken jointly and if there is any decision which the management wants to take individually, the employees should be informed about this so that they do not feel ignored. The idea is not to slow down the decision-making process but to involve employees for their commitment and giving due recognition to them.

**No Formal Structure.** Theory Z provides no formal structure for the organisation. Instead, it must be a perfect teamwork with cooperation along with sharing of information, resources and plans. Ouchi has given the example of a basketball team which plays well together and solves all problems with no formal reporting relationships and minimum of specialisation of positions and of tasks.<sup>21</sup> In the same way, an integrated organisation does not have any chart, divisions, or any visible structure. It places emphasis on rotational aspect of employee placement which provides opportunities to him to understand how his work affects others or is affected by others. This enables him to develop group spirit which is the basic backbone of success.

**Coordination of Human Beings.** The leader's role is to coordinate people and not technology to achieve productivity. This involves developing people's skills and also the creation of new structures, incentives, and a new philosophy of management. The purpose is to achieve commitment of employees to the development of a less-selfish-more-cooperative approach to work. Before commitment can occur, however, there must be understanding which comes from the open expression of skepticism through a process of debate and analysis.<sup>22</sup> The leader must develop trust which consists of the understanding of fundamentally compatible goals of the desire for the more effective working relationship together. To develop trust, there should be a complete openness and candour in the relationship. This develops a common culture and imbibes no class feeling in the organisation.

#### Implications of Theory Z

Theory Z provides a complete transformation of motivational aspect of employees which other theories are not able to emphasise. However, it can be mentioned that Theory Z is not merely a motivational technique but involves the complete transformation of management actions including various management techniques. The basic question is whether the same pattern can be followed by Indian organisations. This question becomes important from two points of view. First, we are trying to have more collaboration from Japanese organisations which emphasise more on Theory Z. In this process, we may import Japanese management culture as we have been doing with western culture. Second, our socio-cultural pattern is different than what Theory Z organisations may require. The process of implementing Theory Z has already started, though on a very limited scale. For example, Krishnamurthy, the former Chairman of Maruti Udyog Limited which is producing Maruti car in collaboration with Suzuki Motor Company of Japan, has said that 'I think if we have to make Japanese cars with Japanese quality and at the Japanese costs in our country, there is only one way—the Japanese way'. In fact, he has tried to implement some of the tenets of Theory Z. For example, the workplace has been designed on the Japanese pattern. A common canteen has been provided where everybody takes lunch irrespective of hierarchy. Similar uniform has been introduced for all. All these have been done to avoid class or group feeling.<sup>22</sup> Many more Japanese methods are to be adopted. Whether this will be successful or otherwise, only time will tell.

There are some features which may work against the precepts of Theory Z. First, the provision of life-time employment to develop strong bond between the

<sup>21</sup>Ibid.

<sup>22</sup>V. Krishnamurthy, New Delhi: 2nd Annual General Meeting of Maruti Udyog Limited, September 29, 1983.

#### MANAGEMENT

employees in any management so that they succeed but to them.

organisation. ing of infor-  
team  
relation-  
way, an  
structure. It  
ides oppor-  
by others.  
cess.

ple and not  
lls and also  
management.  
it of a less-  
however,  
skepticism  
just which  
ire for the  
ould be a  
on culture

employees  
ioned that  
complete  
chniques.  
ry Indian  
First, we  
phasise  
culture as  
attern is  
cess of  
cale. For  
which is  
pan, has  
id at the  
fact, he  
orkplace  
rovided  
as been  
z. Many  
herwise,  
Z. First,  
en, the

1.  
mu  
in  
an  
att  
cul  
me  
us  
9, 1983.

#### MOTIVATION THEORIES

organisation and its employees seems to be difficult because of two reasons. One, the employer is unlikely to retain an employee who is otherwise unproductive because of easy availability of substitutes. Two, an average Indian employee will not hesitate to switch over, if there is a relative rise in his income or other non-monetary benefits. Thus, life-time employment seems to be a difficult proposition and consequently the unusual loyalty of the employees. Second, the Theory Z organisation emphasises on common culture and imbibes no class feeling within the organisation. This again seems to be very difficult because people come from such a wide variety of environments that a citizen from north may be an alien in south. People differ in habits, eating pattern, dress, and languages which may be a barrier in developing common culture. Moreover, our society has been based on classes with caste system being the base for that. The caste system is certainly based on class. Third, the proposition that shareholders will accept less profit or accept losses to avoid lay-off does not seem to be feasible in Indian context where most of the organisations believe in low level of social responsibility. Fourth, the participation in Indian context has its limitations. Fifth, there may be some operational problems in implementing Theory Z. For example, organisation without its structure has been emphasised by many but how actually it works is yet unanswered. A large organisation without some kind of structure, even though highly flexible, may present chaos. It may be true with the basketball team but when it comes to large organisations, it presents problems. Even modern American organisations could not follow this. Similarly, horizontal movement of employees may not derive the advantages of specialisation which is the order of the day. The degree of horizontal movement is limited to the extent to which skills needed for one job can be transferred to other job. However, this may not pose big problems as has been demonstrated by many companies where there is interchange of people across the functional boundary. It can be summed up that Theory Z does not present the total solution of management problems at least for the present.

#### CONTINGENCY APPROACH OF MOTIVATION

The appraisal of various theories of motivation and resultant motivational strategies suggested by these fails to provide any concrete result as to how a manager can be sure about the way he can motivate people in the organisation. The various theories suggest that there is no universal device applicable to everyone. What motivates people is situational. This is the basic theme of contingency approach of motivation. This shows the complexity of human behaviour and consequently the inability to predict his behaviour. Since individuals differ, it is not possible to motivate them by a single method. Thus, universality of motivational strategy is out of question. However, it does not mean that various theories do not offer any help. In fact, the contingency approach is derived out of these theories which merely suggests that in motivating people, all the contextual variables must be specified and their inter-relationship should be established. When this is done, it may be easy to find out what the motivational strategy would be.

Contingency approach emphasises on linking between micromotivation and macromotivation. Micromotivation operates at the level of individual firms while macromotivation operates at the broad social level. Thus, what is a motivating factor in one society may not be as effective in another society. Since individuals who join an organisation, do not bring merely their skills and competence but also their attitudes and values conditioned by their families, ethnic groups, and other socio-cultural variables, they should be taken as a whole while designing strategy for motivating them. Thus, contingency approach emphasises on the analysis of individual and organisational variables which are as follows:

1. Since individuals differ in terms of their personality, ability, attitudes, and values, their need patterns also differ. The analysis of individuals provides clue about the factors which motivate them.

*John Gordan*

## LEADERSHIP

63

Human beings are the most precious part of the organisation. In the organisation, effective utilisation of the capacity of human resources depends upon management. Management can get the results from the people in the organisation in two ways: (i) by exercise of authority vested in it, or (ii) by winning support of the people. Out of these, the second method is better as it has a lasting effect over the people's motivation. However, it is only possible when a manager becomes their leader in the real sense to influence their behaviour in desired direction. This leadership is an essential ingredient for successful organisation. The successful organisation has one major attribute that sets it apart from unsuccessful organisation that is dynamic and effective leadership.

work

erge.

adopt

nent.

### Concept of Leadership

Leadership is the process of influencing the behaviour of others to work willingly and enthusiastically for achieving predetermined goals. We have seen in Chapter 14 that the targets' responses to use of power vary along a continuum ranging from resistance to commitment. Any type of compliance tending towards resistance is unwillingly and that tending towards commitment is willingly and enthusiastically. The latter type of response is the objective of leadership. Now we can move to a formal definition of leadership. Tannenbaum *et al* have defined leadership as follows:

"Leadership is interpersonal influence exercised in a situation and directed through communication process, towards the attainment of a specified goal or goals".<sup>1</sup>

This definition puts emphasis on influencing through communication. However, it does not emphasise the enthusiasm with which the receiver of the communication will act. Terry has defined leadership in the context of enthusiastic contribution. He says that:

"Leadership is essentially a continuous process of influencing behaviour. A leader breathes life into the group and motivates it towards goals. The lukewarm desires for achievement are transformed into a burning passion for accomplishment".<sup>2</sup>

A more recent definition of leadership is as follows:

"Leadership is the process of influencing and supporting others to work enthusiastically toward achieving objectives".<sup>3</sup>

An analysis of these definitions brings certain features of leadership which are as follows:

1. Leadership is a continuous process of behaviour; it is not one-shot activity.
2. Leadership may be seen in terms of relationship between a leader and his followers (individuals and/or groups) which arises out of their functioning for common goals.
3. By exercising his leadership, the leader tries to influence the behaviour of individuals or group of individuals around him to achieve common goals.
4. The followers work willingly and enthusiastically to achieve those goals. Thus, there is no coercive force which induces the followers to work.

<sup>1</sup>Robert Tannenbaum *et al*, *Leadership and Organisation: A Behavioural Science Approach*, New York: McGraw-Hill, 1961.

<sup>2</sup>George R. Terry, *Principles of Management*, Homewood Ill.: Richard D. Irwin, 1988, p. 412.

<sup>3</sup>Barnard Keys and Thomas Case, "How to Become an Influential Manager." *Academy of Management Executive*, November 1990, pp. 38-51.

5. Leadership gives an experience of help to followers to attain common goals. It happens when the leader feels the importance of individuals, gives them recognition, and conveys them about the importance of activities performed by them.
6. Leadership is exercised in a particular situation, at a given point of time, and under specific set of circumstances. It implies that leadership styles may be different under different situations.

### DIFFERENCE BETWEEN LEADERSHIP AND MANAGEMENT

From the above definitions and characteristics of leadership, it can be observed that leadership and management are related but they are not the same. A person can be an effective manager, a leader, both, or neither.<sup>4</sup> This is due to the fact that leadership differs from management on some counts. John Kotter has identified that leadership differs from management in terms of the emphasis that is put on four activities—creating an agenda, developing a human network for achieving the agenda, executing plans, and outcomes of activities.<sup>5</sup> While leadership emphasises change in these activities, management believes in *status quo*. Stephen Covey, a consultant on developing leadership, has emphasised the difference between leadership and management as follows:<sup>6</sup>

1. Leadership deals with vision—keeping the mission in sight—and with effectiveness and results. Management deals with establishing structure and systems to get those results. It focuses on efficiency, cost-benefit analysis, logistics, methods, procedures, and policies.
2. Leadership focuses on the top line; management focuses on the bottom line. Leadership derives its power from values and correct principles. Management organises resources to serve selected objectives to produce the bottom line.
3. Leadership inspires and motivates people to work together with a common vision and purpose. Management involves controlling and monitoring results against plans, identifying deviations, and then planning and organising to solve the problems.
4. Leadership emphasises transformation aspect and, therefore, transformational leadership emerges. Management focuses on transactional aspect and, therefore, transactional leadership emerges. Transformational leadership is the set of abilities that allow the leader to recognise the need for change, to create a vision to guide that change, and to execute that change effectively. Transactional leadership involves routine, regimented activities—assigning work, evaluating performance, making decisions, and so forth.

Based on the above discussion, difference between leadership and management can be summarised as shown in Table 25.1.

TABLE 25.1: Difference between leadership and management

Factors	Leadership	Management
1. Source of power	Personal abilities	Authority delegated
2. Focus	Vision and purpose	Operating results
3. Approach	Transformational	Transactional
4. Process	Inspiration	Control
5. Emphasis	Collectivity	Individualism
6. Futurity	Proactive	Reactive
7. Type	Formal and informal	Formal

<sup>4</sup> Abraham Zeleznik, "Managers and Leaders: Are They Different?" *Harvard Business Review*, March-April 1992, pp. 126-135.

<sup>5</sup> John P. Kotter, *A Force for Change: How Leadership Differs from Management*, New York: Free Press, 1990.

<sup>6</sup> Stephen Covey, "Yin or Yang," *The Economic Times*, April 21, 2000, pp. 1-2 (Supplement).

### LEADERSHIP

Informal and Formal  
Leaders arise in groups endure an persons elected to Their views get at election, those na groups show that other group mem leaders, therefore influence from th needs; consequent

When a perso superior capacity, two respects. First ity from the orga satisfaction of his tation of achievin satisfaction to his rely upon the us because, as discus pressure of autho leadership qualiti authority but high between formal ar of his followers b that satisfy their n

Importance of Leadership is an i Throughout the h and failure, wheth be attributed large

Here we are n organisation cann basically a deliber activities of its me this way will leac organisation is af discussed as follow

1. Motivating emp performance. Hig leader, by exercisi Good leadership i

2. Creating confid directing them, gi organisation. Onc tries to maintain i Sometimes, indivi absence of good di

3. Building moral ganisation, manag ganisation. High

## OF MANAGEMENT

common goals. It gives them recognition by them. point of time, and p styles may be

be observed that A person can be to the fact that s identified that t is put on four achieving the hip emphasises phen Covey, a rence between

l with effective- and systems to stics, methods,

ie bottom line. Management from line.

mon vision and against plans, roblems.

nsformational and, therefore, the set of abilitate a vision to tional leader- uating perfor-

management

---

ent  
delegated  
results  
inal  
sm

---

w, March-April  
Press, 1990.

## LEADERSHIP

633

### Informal and Formal Leaders

Leaders arise in many situations. Even informal social groups have leaders. When groups endure and become formal, the persons are elected as leaders. Normally, the persons elected to offices are the ones who are the natural leaders of the groups. Their views get attention from the members even without formal election, but with election, those natural leaders are consciously acknowledged. Researches on small groups show that those persons who emerge as informal leaders are perceived by other group members as being the best able to satisfy the group needs and that the leaders, therefore, are enabled to influence other members. A leader derives his influence from the members' feeling or intuition that he can help to satisfy their needs; consequently, they are willing to submit, within the limits, to his guidance.

When a person, either such informal leader or some one else, is appointed in a superior capacity, the natural leadership relations change. Such change occurs in two respects. First, when a person is appointed in superior capacity, he gets authority from the organisation. This authority enables him to increase or decrease the satisfaction of his subordinates. Second, because of appointment, he has the obligation of achieving organisational objectives besides an obligation to provide satisfaction to his subordinates. However, an appointed (formal) leader cannot solely rely upon the use of authority for getting desired results from his subordinates because, as discussed earlier, subordinates seldom put maximum effort under the pressure of authority. Thus, a chief executive having more authority, but lacking leadership qualities, may be less effective as compared to a foreman with less authority but high degree of leadership qualities. Regardless of these differences between formal and informal leaders, however, a leader is able to direct the actions of his followers because they believe he can provide rewards (or prevent penalties) that satisfy their needs.

### Importance of Leadership

Leadership is an important factor for making any type of organisations successful. Throughout the history, it has been recognised that the difference between success and failure, whether in a war, a political movement, a business, or a team game, can be attributed largely to leadership.

Here we are more concerned about manager as a leader. Without a good leader, organisation cannot function efficiently and effectively. Since the organisation is basically a deliberate creation of human beings for certain specified objectives, the activities of its members need to be directed in a certain way. Any departure from this way will lead to inefficiency in the organisation. Direction of activities in the organisation is affected by the leader. The importance of good leadership can be discussed as follows:

**1. Motivating employees.** As discussed earlier, motivation is necessary for work performance. Higher the motivation, better would be the performance. A good leader, by exercising his leadership, motivates the employees for high performance. Good leadership in the organisation itself is a motivating factor for the individuals.

**2. Creating confidence.** A good leader may create confidence in his followers by directing them, giving them advice and getting through them good results in the organisation. Once an individual, with the help of a leader, puts high efficiency, he tries to maintain it as he acquires certain level of confidence towards his capacity. Sometimes, individuals fail to recognise their qualities and capabilities to work in the absence of good direction.

**3. Building morale.** Morale is expressed as attitudes of employees towards organisation, management and voluntary cooperation to offer their ability to the organisation. High morale leads to high productivity and organisational stability.

634  
Through  
raised

Through providing good leadership in the organisation, employees' morale can be raised high ensuring high productivity and stability in the organisation.

Thus, good leadership is essential in all aspects of managerial functions whether it be motivation, communication or direction. Good leadership ensures success in the organisation, and unsatisfactory human performance in any organisation can be primarily attributed to poor leadership.

## Leadership Theories

Leadership has probably been written about, formally researched, and informally discussed more than any other single topic. Despite all the attention given to it, leadership still remains pretty much of 'black box' or unexplainable phenomenon. It is known to exist and to have tremendous influence on human performance, but its inner workings and specific dimensions cannot be precisely spelled out.

Many of the research studies, particularly by behavioural scientists, have been carried on to find out the answer of the question: What makes a leader effective? Is his success due to his personality, or his behaviour, or the types of followers he has, or the situation in which he works, or a combination of all these? These researchers, however, could not give a satisfactory answer of the question. Instead, their researches have resulted in various theories or approaches on leadership, the prominent among these being trait theory, behavioural theory, and situational theory. Besides, age-old theory of leadership known as 'great man theory' or 'charismatic leadership theory', which was discarded long back by behavioural scientists, has started attracting attention recently. Each of these theories has its own contributions, limitations, assumptions, and framework of analysis. In this section, we shall discuss these theories so that a background can be provided to the study of leadership styles which leaders may adopt to influence the behaviour of their followers. The discussion of these theories is based on the sequence in which these have emerged.

### CHARISMATIC LEADERSHIP THEORY

Charismatic leadership theory, also called great man theory by some, can be traced back to ancient times. Plato's *Republic* and Confucius' *Analects* dealt with leadership. They provided some insights of leadership. Subsequent studies based on these insights have suggested that 'a leader is born and is not made.' A leader has some charisma which acts as influencer. Charisma is a Greek word meaning gift. Thus, charisma is a God-gifted attribute in a person which makes him a leader irrespective of the situations in which he works. Charismatic leaders are those who inspire followers and have a major impact on their organisations through their personal vision and energy. Occasionally, a leader emerges whose high visibility and personal charisma catch the public consciousness.

Robert House, who proposed a relook on charismatic theory, suggests that charismatic leaders have very high levels of referent power and that some of that power comes from their need to influence others. According to him, "the charismatic leader has extremely high levels of self-confidence, dominance, and a strong conviction in the normal righteousness of his/her beliefs, or at least the ability to convince the followers that he/she possesses such confidence and conviction." He suggests further that charismatic leaders communicate a vision or higher-level goal (transcendent) that captures the commitment and energy of followers. The basic assumptions and implications of charismatic leadership theory are as follows:

<sup>7</sup>Robert J. House, "A 1976 Theory of Charismatic Leadership," in J.G. Hunt and L.L. Larson (eds.), *Leadership: The Cutting Edge*, Carbondale: Southern Illinois University Press, 1977.

### LEADERSHIP

1. Leaders ir leadership
2. These inbe
3. Since thes and traini be shared
4. These lead have any i

### Implications :

Charismatic le large compai programmes e Such transfor many feel th theories have transactional l determines w requirements, objectives. A energy. Trait, reasons behin who transfor Dhirubhai Ar energy, and ei

However, there are cert to develop le various train leaders, can b in the change Great Britain, Thus, we can leadership eff

### TRAIT THE

The weaknes approach to thought, rese inborn but ca relatively enc 'what makes From the very successful le leadership sti was to select hypothesis th

Various biological fac studies has b

<sup>8</sup>Bernard M. Bass Vision," Organis

<sup>9</sup>Ralph M. Stogd Psychology, Janu

es' morale can be  
tion,  
unctions whether  
nsures success in  
ganisation can be

and informally  
tion given to it,  
phenomenon. It  
ormance, but its  
ut.

tists, have been  
ler effective? Is  
llowers he has,  
se researchers,  
Instead, their  
eadership, the  
nd situational  
an theory' or  
y behavioural  
es has its own  
n this section,  
o the study of  
our of their  
which these

an be traced  
leadership.  
on these in-  
er has some  
; gift. Thus,  
irrespective  
ire follow-  
vision and  
al charisma

s that char-  
that power  
atic leader  
inviction in  
vince the  
gests fur-  
avel goal  
The basic  
rs:

erson (eds.),  
3.

## LEADERSHIP

1. Leaders in general, and great leaders in particular, have some exceptional inborn leadership qualities which are bestowed upon them by the divine power.
2. These inborn qualities are sufficient for a leader to be successful.
3. Since these qualities are inborn, these cannot be enhanced through education and training. Further, since these qualities are of personal nature, these cannot be shared by others.
4. These leadership qualities make a leader effective and situational factors do not have any influence.

### Implications of the Theory

Charismatic leadership theory has re-emerged basically for two reasons. First, many large companies in USA have embarked on organisational transformation programmes of extensive changes that must be accomplished in short period of time. Such transformations, it has been argued, require transformational leaders. Second, many feel that by concentrating on traits, behaviours, and situations, leadership theories have lost sight of the leaders. These theories discuss more about transactional leaders and not about transformational leaders.<sup>8</sup> A transactional leader determines what subordinates need to do to achieve objectives, classifies those requirements, and helps subordinates become confident that they can reach their objectives. A transformational leader inspires his followers through vision and energy. Trait, behavioural, and situational leadership theories fail to explain the reasons behind the deeds of great political leaders like Mahatma Gandhi, Lenin, etc. who transformed their nations, or our great industrialists like JRD Tata, GD Birla, Dhirubhai Ambani, who created vast industrial empires because of their vision, energy, and entrepreneurship. Charismatic leadership theory does that.

However, there are two basic limitations of this theory. First, if we assume that there are certain inborn qualities of a great leader, it implies that nothing can be done to develop leaders in the organisations. In fact, its opposite is also true. Through various training and development programmes, leaders, though not the great leaders, can be developed in the organisations. Second, a charismatic leader may fail in the changed situation. For example, Winston Churchill, the late prime minister of Great Britain, was very effective during the Word War II, but he flopped afterwards. Thus, we can derive that the situational variables play their own role in determining leadership effectiveness.

### TRAIT THEORY

The weaknesses of charismatic leadership theory gave way to a more realistic approach to leadership. Under the influence of the behaviouristic psychological thought, researchers accepted the fact that leadership traits are not completely inborn but can also be acquired through learning and experience. Trait is defined as relatively enduring quality of an individual. The trait approach seeks to determine 'what makes a successful leader' from the leader's own personal characteristics. From the very beginning, people have emphasised that a particular individual was a successful leader because of his certain qualities or characteristics. Trait approach leadership studies were quite popular between 1930 and 1950. The method of study was to select leaders of eminence and their characteristics were studied. It was the hypothesis that the persons having certain traits could become successful leaders.

Various research studies have given intelligence, attitudes, personality and biological factors as ingredients for effective leaders. A review of various research studies has been presented by Stogdill.<sup>9</sup> According to him, various trait theorie

<sup>8</sup>Bernard M. Bass, "From Transactional Leadership to Transformational Leadership: Learning to Share the Vision," *Organisational Dynamics*, Winter 1990, 19-31.

<sup>9</sup>Ralph M. Stogdill, Personal Factors Associated with Leadership: A Survey of the Literature, *Journal Psychology*, January, 1948, pp. 35-71.

have suggested these traits in a successful leader: (i) physical and constitutional factors (height, weight, physique, energy, health, appearance); (ii) intelligence; (iii) self-confidence; (iv) sociability; (v) will (initiative, persistence, ambition); (vi) dominance; and (vii) surgency (talkative, cheerfulness, geniality, enthusiasm, expressiveness, alertness, and originality). In a later study, Ghiselli has found supervisory ability, achievement motivation, self actualising, intelligence, self-assurance, and decisiveness as the qualities related with leadership success.<sup>10</sup>

The current research on leadership traits suggests that some factors do help differentiate leaders from non-leaders.<sup>11</sup> The most important traits are a high level of personal drive, desire to lead, personal integrity, and self-confidence. Cognitive (analytical) ability, business knowledge, charisma, creativity, flexibility, and personal warmth are also frequently desired. Anderson Consulting (a management consultancy firm) conducted a study of 90 global chief executives to find out the qualities required for an ideal chief executive in the present era of globalised economy. The study highlighted 14 qualities.<sup>12</sup> Accordingly, a chief executive thinks globally, anticipates opportunity, creates a shared vision, develops and empowers people, appreciates cultural diversity, builds teamwork and partnership, embraces change, shows technological savvy, encourages constructive challenge, ensures customer satisfaction, achieves a competitive advantage, demonstrates personal mastery, shares leadership, and lives the values. The various studies show wide variations in leadership traits. The various traits can be classified into innate and acquirable traits, on the basis of their source.

**Innate qualities** are those which are possessed by various individuals since their birth. These qualities are natural and often known as God-gifted. On the basis of such qualities, it is said that 'leaders are born and not made.' These qualities cannot be acquired by the individuals. The following are the major innate qualities in a successful leader:

**1. Physical Features.** Physical features of a man are determined by heredity factors. Heredity is the transmission of the qualities from ancestor to descendant through a mechanism lying primarily in the chromosomes of the germ cells. Physical characteristics and rate of maturation determine the personality formation which is an important factor in determining leadership success. To some extent, height, weight, physique, health and appearance are important for leadership.

**2. Intelligence.** For leadership, higher level of intelligence is required. Intelligence is generally expressed in terms of mental ability. Intelligence, to a very great extent, is a natural quality in the individuals because it is directly related with brain. The composition of brain is a natural factor, though many psychologists claim that the level of intelligence in an individual can be increased through various training methods.

**Acquirable qualities** of leadership are those which can be acquired and increased through various processes. In fact, when a child is born, he learns many of the behavioural patterns through socialisation and identification processes. Such behavioural patterns are developed among the child as various traits over a period of time. Many of these traits can be increased through training programmes. Following are the major qualities essential for leadership:

**1. Emotional Stability.** A leader should have high level of emotional stability. He should be free from bias, is consistent in action, and refrains from anger. He is

## LEADERSHIP

well-adjusted  
he can meet

**2. Human Relations**  
human relations  
part of a broad  
achieving  
to each other  
various situations

**3. Empathy**  
points of view  
from others  
is empathetic  
he does not  
other perspectives

**4. Objectivity**  
relevant facts  
The leader  
permits him  
make an object

**5. Motivational Ability**  
motivation  
a person to work  
The leaders  
Thus, a leader  
can activate

**6. Technical Skills**  
which must be  
organised, developed  
requires the  
leadership

**7. Communication Skills**  
Communication  
A leader  
lating purpose

**8. Social Skills**  
knows their  
conducts his  
willingly with

Though  
be said for  
not necessarily  
quantity. The  
Leadership  
important at

**Implications**  
This theory  
leader requires  
qualities in  
programmes  
generalisation

<sup>10</sup>E.E. Ghiselli, *Exploration in Managerial Talents*, Pacific Palisades: Good year, 1971.

<sup>11</sup>Shelley A. Kirkpatrick and Edwin A. Locke, "Leadership: Do Traits Matter?" *Academy of Management Executive*, November 1990, p. 38-51.

<sup>12</sup>Anderson Consulting, "Competing on Human Capital," Reproduced partly in the *Economic Times*, June 11, 1999, pp. 14 (Supplement).

and constitutional  
(ii) intelligence;  
nace, ambition);  
ty, enthusiasm,  
elli has found  
intelligence;  
ip success.<sup>10</sup>

actors do help  
re a high level  
nce. Cognitive  
flexibility, and  
a management  
o find out the  
of globalised  
ecutive thinks  
nd empowers  
hip, embraces  
enge, ensures  
ates personal  
es show wide  
to innate and

als since their  
n the basis of  
alities cannot  
qualities in a

heredity fac-  
descendant  
ells. Physical  
tion which is  
tent, height,

Intelligence  
great extent,  
h brain. The  
aim that the  
ous training

red and in-  
ns many of  
esses. Such  
er a period  
es. Follow-

tability. He  
nger. He is

well-adjusted, and has no anti-social attitudes. He is self-confident and he can meet most situations successfully.

**2. Human Relations.** A successful leader should have adequate knowledge of human relations, that is, how he should deal with human beings. Since an important part of a leader's job is to develop people and get their voluntary cooperation for achieving work, he should have intimate knowledge of people and their relationship to each other. The knowledge of how human beings behave and how they react to various situations is quite meaningful to a leader.

**3. Empathy.** Empathy relates to observing the things or situations from others' points of view. The ability to look at things objectively and understanding them from others' point of view is an important aspect of successful leadership. When one is empathetic, he knows what makes the other fellows think as they do, even though he does not necessarily agree with others' thoughts. Empathy requires respect for the other persons, their rights, beliefs, values and feelings.

**4. Objectivity.** Objectivity implies that what a leader does should be based on relevant facts and information. He must assess these without any bias or prejudice. The leader must base his relationship on his objectivity. He is objective and does not permit himself to get emotionally involved to the extent that he finds it difficult to make an objective diagnosis and implement the action required.

**5. Motivating Skills.** Not only a leader is self-motivated but he has requisite quality to motivate his followers. Though there are many external forces which motivate a person for higher performance, there is inner drive in people also for motivation to work. The leader can play active role in stimulating these inner drives of his followers. Thus, a leader must understand his people to the extent that he knows how he can activate them.

**6. Technical Skills.** The leading of people requires adherence to definite principles which must be understood and followed for greater success. The ability to plan, organise, delegate, analyse, seek advice, make decision, control, and win cooperation requires the use of important abilities which constitute technical competence of leadership. The technical competence of leader may win support from the followers.

**7. Communicative Skills.** A successful leader knows how to communicate effectively. Communication has great force in getting the acceptance from the receivers of communication. A leader uses communication skilfully for persuasive, informative, and stimulating purposes. Normally, a sucessful leader is extrovert as compared to introvert.

**8. Social Skills.** A successful leader has social skills. He understands people and knows their strengths and weaknesses. He has the ability to work with people and conducts himself so that he gains their confidence and loyalty, and people cooperate willingly with him.

Though all these qualities contribute to the success of leadership, but it cannot be said for certain about the relative contributions of these qualities. Moreover, it is not necessary that all these qualities are possessed by a successful leader in equal quantity. The list of qualities may be only suggestive and not comprehensive. Leadership is too nebulous a concept to be definitely identified by listing of its important attributes.

#### Implications of the Theory

This theory has two very important implications. *First*, the theory emphasises that a leader requires some traits and qualities to be effective. *Second*, many of these qualities may be developed in individuals through training and development programmes. However, the theory suffers from two sets of limitations: generalisation of traits and applicability of traits.

**Generalisation of Traits.** There are problems in identification of traits which may be relevant for a leader to be effective in all situations. For example, Jennings has concluded that, "fifty years of study has failed to produce a one-personality trait or set of qualities that can be used to discriminate leaders and non-leaders".<sup>13</sup> A similar comment comes from House and Baetz when they have concluded that the various studies on traits have failed to uncover any traits that clearly and consistently distinguish leaders and followers.<sup>14</sup> Many other behavioural scientists hold similar views. From this point of view, the theory suffers from the following limitations:

1. There cannot be generalisation of traits for a successful leader. This was evident by various researches conducted on leadership traits.
2. No evidence has been given about the degree of the various traits because people have various traits with different degrees.
3. There is a problem of measuring the traits. Though there are various tests to measure the personality traits, however, no definite conclusion can be drawn.

**Applicability of Traits.** Another set of problems that hinders the full application of trait theory in practice, is that leadership as a process of influence reflects in leader's behaviour and not in his traits. There have been many persons with traits specified for a leader, but actually they could not become effective leaders. The reason for this phenomenon is that there is no direct cause-effect relationship between a trait of a person and his behaviour. The trait may be only one of the factors shaping behaviour; the other factors, sometimes even more important, are situational variables. These situational variables are not incorporated in trait theory.

### BEHAVIOURAL THEORY

Behavioural theory of leadership emphasises that strong leadership is the result of effective role behaviour. Leadership is shown by a person's acts more than by his traits. Researchers exploring leadership role have come to the conclusion that to operate effectively, groups need someone to perform two major functions: task-related functions and group maintenance functions. *Task-related functions*, or problem-solving functions, relate to providing solutions to the problems faced by the groups, in performing jobs and activities. *Group maintenance functions*, or social functions, relate to actions of mediating disputes and ensuring that individuals feel valued by the group. An individual who is able to perform both roles successfully would be an effective leader. These two roles may require two different sets of behaviour from the leader, known as leadership styles.

Leadership behaviour may be viewed in two ways: functional and dysfunctional. Functional behaviour influences followers positively and includes such functions as setting clear goals, motivating employees for achieving goals, raising the level of morale, building team spirit, effective two-way communication, etc. Dysfunctional behaviour is unfavourable to the followers and denotes ineffective leadership. Such a behaviour may be inability to accept employees' ideas, display of emotional immaturity, poor human relations, etc.

### Implications of the Theory

Behavioural theory of leadership has some important implications for managers. They can shape their behaviour which appears to be functional and discard the behaviour which appears to be dysfunctional. Researchers who have taken behavioural theory for analysing leadership behaviour (known as leadership style) have pre-

<sup>13</sup> Eugene E. Jennings, "The Anatomy of Leadership," *Personnel Management Quarterly*, Autumn 1961.

<sup>14</sup> Robert J. House and Mary L. Baetz, "Leadership: Some Empirical Generalisations and New Research Direction," in Barry M. Staw, (ed.) *Research in Organisational Behaviour*, Greenwich, Conn.: JAI Press, 1979, pp. 348-354.

### LEADERSHIP

scribed various 1 organisations. W

This theory s  
be functional at a  
Thus, the time el  
the behaviour its  
ous factors whic  
(subordinates) a  
These factors ha  
does not explain

### SITUATIONAL

Situational leade  
forces of German  
In the business  
placed on the sit

The prime a  
gency theory) is  
effectiveness of  
and factors asso  
presented in Fig

Leader's  
characteri

The various  
into two major  
tion of both the  
factors and thei

### Leader's Behav

Leader's behavi  
archical position

1. Leader's Cha  
and ability, his  
motivation, and  
the behaviour c  
internal to the l

2. Leader's Hie  
tion is importa  
which affect th

## MANAGEMENT

which may meanings has dity trait or<sup>13</sup> A similar the various ntly distin-ular views.

as evident

cause peo-

is tests to drawn.

application reflects in ith traits lers. The tionship e of the tant, are theory.

esult of by his that to ask-re-blem-groups, ctions, ed by be an : from

sfunc- such aising , etc. ective ay of

gers. the ural pre-

arch ress,

## LEADERSHIP

scribed various leadership styles which may be applied in managing the people in organisations. We shall discuss these styles in the next section.

This theory suffers from two basic limitations. *First*, a particular behaviour may be functional at a point of time but it may be dysfunctional at another point of time. Thus, the time element will be a decider of the effectiveness of the behaviour and not the behaviour itself. *Second*, effectiveness of leadership behaviour depends on various factors which are not in the leader but external to him like nature of followers (subordinates) and the situations under which the leader's behaviour takes place. These factors have not been given adequate consideration. To that extent, the theory does not explain leadership phenomenon fully.

### SITUATIONAL THEORY

Situational leadership approach was applied, for the first time, in 1920 in the armed forces of Germany with the objective to get good generals under different situations. In the business organisations, much emphasis on the leadership researches was placed on the situations that surrounded the exercise of leadership since early 1950s.

The prime attention in situational theory of leadership (also known as contingency theory) is given to the situation in which leadership is exercised. Therefore, effectiveness of leadership will be affected by the factors associated with the leader and factors associated with the situation. These dimensions of leadership have been presented in Figure 25.1.

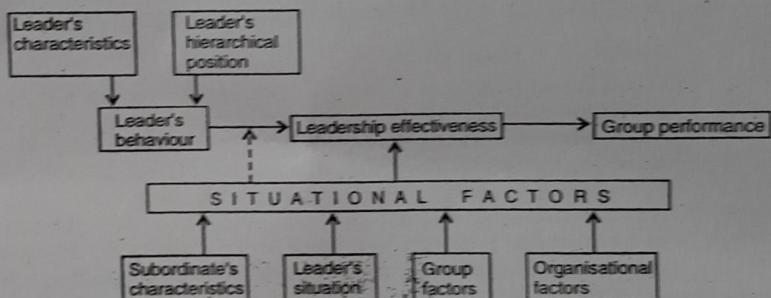


FIGURE 25.1: Factors affecting leadership effectiveness

The various factors affecting leadership effectiveness may broadly be classified into two major categories: leader's behaviour and situational factors. The combination of both these factors determines leadership effectiveness. Let us discuss these factors and their impact on leadership effectiveness.

#### Leader's Behaviour

Leader's behaviour is affected by two variables: leader's characteristics and his hierarchical position in the organisation.

**1. Leader's Characteristics.** An individual's behaviour is influenced by intelligence and ability, his characteristics like his personality characteristics, attitudes, interest, motivation, and physical characteristics such as age, sex, and physical features. Thus, the behaviour of the leader is also influenced by all these factors. All these factors are internal to the leader.

**2. Leader's Hierarchical Position.** Leader's hierarchical position in the organisation is important because persons at different levels face different kind of problems which affect the degree of participation between the superior and his subordinates if

arriving at decisions to solve the problems. Managers at higher levels are more concerned with long-run complex problems which require more participation in decision making. Managers at lower levels are more concerned with short-run problems involving the daily operations which may not require high level of participation. The degree of this participation affects the leader's behaviour.<sup>15</sup>

#### Situational Factors

Besides the leader's related factors, leadership effectiveness is affected by situational factors as these factors affect the leader's behaviour. To the extent, a leader matches the requirement of these factors, his leadership will be effective. The various situational factors may be grouped into four categories: subordinate's characteristics, leader's situation, group factors, and organisational factors.

- 1. Subordinate's Characteristics.** Various factors which affect an individual's behaviour, as discussed in the case of the leader, are relevant for the subordinate too.
- 2. Leader's Situation.** The leader's situation in respect to his subordinate is an important factor affecting leadership effectiveness. There are two main variables which determine the leader's situation: leader's position power and leader-subordinate relations. Leader's position power helps or hinders in influencing others. Thus, high-position power simplifies the leader's task of influencing others, while low-position power makes the leader's task more difficult. Another factor, that is, leader-subordinate relation is based on the classic exchange theory which suggests that there is two-way influence in a social relationship. Thus, good followers need to succeed in their own jobs with the help of the leader while helping their leaders to succeed at theirs. Thus, if the leader has good subordinates, and good relations with them, he is likely to be more effective.
- 3. Group Factors.** Various group factors like task design, group composition, group norms, group cohesiveness, and peer-group relationship affect leadership effectiveness and performance. If these factors are favourable, the leader will be effective.
- 4. Organisational Factors.** Organisational factors like organisational climate and organisational culture affect leadership effectiveness. If these are conducive, the leader will be effective.

#### Implications of the Theory

Situational theory has wide implications for managers in the sense that it offers clues why a manager who is successful in one situation, fails when there is change in the situation. Therefore, the managers may do better by adopting management practices including leadership which match with the situational variables. In fact, the systems and contingency approach has become the way of thinking in management and leadership is no exception.

This theory, however, should not be taken as the final word in leadership. The theory appears to be good on the surface but becomes quite complex in practice because of the presence of numerous contingent factors. However, managers can overcome this problem by diagnosing these factors suitably. This is not necessarily provided by the theory but experience has its role as we have pointed out in Chapter 1. There appears to be one more important lacuna in this theory. The theory loses the insight of leadership and the leader is overwhelmed by the contingent factors.

<sup>15</sup>A.G. Jago and Victor H. Vroom, "Hierarchical Level and Leadership Style," *Organisational Behaviour and Human Performance*, No. 18, 1977, pp. 131-145.

#### LEADERSHIP

### Leadership

Leadership is the behaviour patterns emerging in similar conditions to those who assume leadership styles. These styles of leadership are given below:

Based on behaviour:

1. Power or Authoritarian
2. Leadership by Example
3. Employee participation
4. Likert's style
5. Managerial
6. Transformational

Based on situations:

1. Fiedler's
2. House's
3. Path-goal

Such a classification is grouped under the other approaches and the theoretical approaches.

#### POWER OF LEADERSHIP

Power orientation which a leader can exert to a degree of us:

1. Autocratic
2. Participative
3. Free-rein

#### Autocratic Leadership

Autocratic leadership is a leadership style. He structures the work and tells what are to be done. He is not insecure, and the leaders:

1. Strict Autocratic: Influencing through criticising and controlling
2. Benevolent Autocratic: Motivation through rewards. Some satisfaction

re more  
ation in  
un prob-  
participa-

tuationa  
matches  
us situat-  
eristics,

ividua's  
nate too.

ate is an  
variables  
subordi-  
rs. Thus,  
low-po-  
s, leader-  
ests that  
need to  
eaders to  
ons with

on, group  
eadership  
r will be

nate and  
cive, the

fers clues  
ge in the  
practices  
systems  
ent and

ship. The  
i practice  
agers can  
cessarily  
Chapter  
loses the  
rs.

shapour and

## Leadership Styles

Leadership styles are the patterns of behaviour which a leader adopts in influencing the behaviour of his followers (subordinates in the organisational context). These patterns emerge in the leader as he begins to respond in the same fashion under similar conditions; he develops habits of actions that become somewhat predictable to those who work with him. Various researchers have proposed different leadership styles. These styles are either based on behavioural approach or situational approach of leadership. Some of the important theories/models prescribing leadership styles are given below.

*Based on behavioural approach*

- ✓ 1. Power orientation
- 2. Leadership as a continuum
- ✓ 3. Employee-production orientation
- 4. Likert's management system
- ✓ 5. Managerial grid
- 6. Tri-dimensional grid

*Based on situational approach*

- 1. Fiedler's contingency model
- 2. Hursey and Blanchard's situational model
- ✓ 3. Path-goal model

Such a classification does not necessarily mean that a particular theory/model grouped under one particular approach of leadership does not consider the tenets of the other approach; it may consider. However, such a consideration is secondary and the theory has not been built on such a consideration.

### POWER ORIENTATION

Power orientation approach of leadership styles is based on the degree of authority which a leader uses in influencing the behaviour of his subordinates. Based on the degree of use of power, there are three leadership styles:

- 1. Autocratic leadership
- 2. Participative leadership
- 3. Free-rein leadership.

Styles

#### Autocratic Leadership

Autocratic Leadership is also known as authoritarian, directive or monothetic style. In autocratic leadership style, a manager centralises decision-making power in himself. He structures the complete situation for his employees and they do what they are told. Here the leadership may be negative because followers are uninformed, insecure, and afraid of the leader's authority. There are three categories of autocratic leaders:

1. **Strict Autocrat.** He follows autocratic styles in a very strict sense. His method of influencing subordinates' behaviour is through negative motivation, that is, by criticising subordinates, imposing penalty, etc.

2. **Benevolent Autocrat.** He also centralises decision-making power in him, but his motivation style is positive. He can be effective in getting efficiency in many situations. Some people like to work under strong authority structure and they derive satisfaction by this leadership.

**3. Incompetent Autocrat.** Sometimes, superiors adopt autocratic leadership style just to hide their incompetence, because in other styles they may be exposed before their subordinates. However, this cannot be used for a long time.

The main advantages of autocratic technique are as follows:

1. There are many subordinates in the organisation who prefer to work under centralised authority structure and strict discipline. They get satisfaction from this style.
2. It provides strong motivation and reward to a manager exercising this style.
3. It permits very quick decisions as most of the decisions are taken by a single person.
4. Less competent subordinates also have scope to work in the organisation under his leadership style as they do negligible planning, organising and decision-making.

There are many disadvantages of autocratic leadership which are as follows:

1. People in the organisation dislike it specially when it is strict and the motivational style is negative.
2. Employees lack motivation. Frustration, low morale, and conflict develop in the organisation jeopardising the organisational efficiency.
3. There is more dependence and less individuality in the organisation. As such, future leaders in the organisation do not develop.

Considering the organisational efficiency and employee's satisfaction, autocratic style generally is not suitable.

#### Participative Leadership

This style is also called democratic, consultative or ideographic. A participation is defined as mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibility in them. A participative manager decentralises his decision-making process. Instead of taking unilateral decision, he emphasises on consultation and participation of his subordinates. Subordinates are broadly informed about the conditions affecting them and their jobs. This process emerges from the suggestions and ideas on which decisions are based. The participation may be either real or pseudo. In the case of former, a superior gives credit to subordinates' suggestions and ideas in taking the decisions while in the case of latter, the superior preaches participation in theory, but really he does not prefer it in practice. There are various benefits in real participative management. These are as follows:

1. It is a highly motivating technique to employees as they feel elevated when their ideas and suggestions are given weight in decision making.
2. The employees' productivity is high because they are party to the decision. Thus, they implement the decisions whole-heartedly.
3. They share the responsibility with the superior and try to safeguard him also. As someone has remarked, 'the fellow in the boat with you never bores a hole in it' is quite applicable in this case too.
4. It provides organisational stability by raising morale and attitudes of employees high and favourable. Further, leaders are also prepared to take organisational positions.

Keeping in view these advantages, management makes attempts for effective participation. The common methods adopted are democratic supervision, committees, suggestion programmes and multiple management. However, this style is not free from certain limitations which are as follows:

LEAD  
1. C  
le  
d  
2. S  
o  
c  
3. P  
e  
ty

Free  
Free  
In thi  
and f  
and  
inform  
choice  
Howe  
of an  
Henc

LEAD  
There  
of aut  
of sty  
to fre

(bos

Man  
dec  
al

T  
type  
freed  
show  
releas  
are n  
16 Rob  
Review

## E OF MANAGEMENT

ic leadership style  
be exposed before

fer to work under  
t satisfaction from  
sing this style.  
taken by a single

organisation under  
ing and decision-

are as follows:  
t and the motiva-  
lict develop in the  
nisation. As such,  
faction, autocratic

A participation is  
p situation which  
bility in them. A  
Instead of taking  
on of his subordi-  
fecting them and  
i which decisions  
case of former, a  
ing the decisions  
ory, but really he  
cipative manage-

vated when their  
e decision. Thus,

ard him also. As  
ores a hole in it'

des of employees  
e organisational

ipts for effective  
tic supervision,  
ever, this style

## LEADERSHIP

1. Complex nature of organisation requires a thorough understanding of its problems which lower level employees may not be able to do. As such, participation does not remain meaningful.
2. Some people in the organisation want minimum interaction with their superiors or associates. For them, participation technique is discouraging instead of encouraging.
3. Participation can be used covertly to manipulate employees. Thus, some employees may prefer the open tyranny of an autocrat as compared to covert tyranny of a group.

### Free Rein

Free rein or *laissez-faire* technique means giving complete freedom to subordinates. In this style, manager once determines policy, programmes and limitations for action and the entire process is left to subordinates. Group members perform everything and the manager usually maintains contacts with outside persons to bring the information and materials which the group needs.

This type of style is suitable to certain situations where the manager can leave a choice to his group. This helps subordinates to develop independent personality. However, the contribution of manager is almost nil. It tends to permit different units of an organisation to proceed at cross-purposes and can degenerate into chaos. Hence, this style is used very rarely in business organisations.

## LEADERSHIP AS A CONTINUUM

There are, in fact, a variety of styles of leadership behaviour between two extremes of autocratic and free rein. Tannenbaum and Schmidt<sup>16</sup> have depicted a broad range of styles on a continuum moving from authoritarian leadership behaviour at one end to free-rein behaviour at the other end as shown in Figure 25.2.

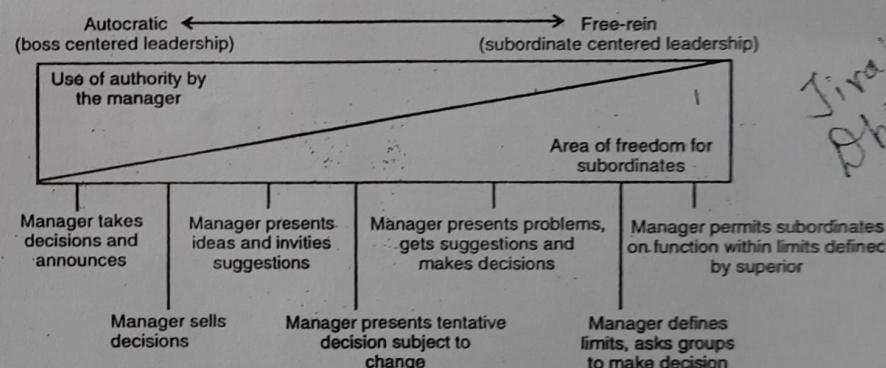


FIGURE 25.2: Continuum of leadership behaviour

The figure presents a range of leadership behaviour available to a manager. Each type of action represents the degree of authority used by a leader and the degree of freedom which a subordinate enjoys in relationship to his superior. The left side shows a style where control is maintained by a manager and the right side shows the release of control. However, neither extreme is absolute and authority and freedom are never without their limitations. Thus, a question is pertinent: at which poi

<sup>16</sup>Robert Tannenbaum and Warren H. Schmidt, "How to Choose a Leadership Pattern," *Harvard Business Review*, March-April, 1958, pp. 95-101.

along with the continuum should a manager adopt his behaviour? In fact, there is no ready-made answer, but it depends upon three particulars:

1. Forces in manager, that is, his value system, his confidence in his subordinates, his own leadership inclinations, and his feeling of security in an uncertain situation.
2. Forces in subordinates, that is, their need for independence, readiness to assume responsibility for decision-making, level of tolerance for ambiguity, understanding and identifying organisational goals, interest in the problem, knowledge and experience to deal with the problems and learning to expect to share in decision-making.
3. Forces in the situation, that is, type of organisation, group effectiveness, the problem itself and the pressure of time.

In 1973, Tannenbaum and Schmidt developed another pattern of choosing leadership behaviour.<sup>17</sup> They feel that because of changes in social system, organisational environment, the old continuum pattern is no longer valid. Organisations do not exist in vacuum, but are affected by changes that occur in the society. Thus, there would be more factors in situational variables affecting the leadership pattern. These forces lie outside the organisation interacting continuously with the organisational environment. Thus, new continuum of leadership pattern is more complex as compared to previous one. In this pattern, the total area of freedom shared by manager and non-manager is constantly redefined by interaction between them and the forces in the environment. There is continual flow of interdependent influence among systems and people. The points on the continuum designate the types of manager and manager's behaviour that become possible with any given amount of freedom available to each. This continuum is more complex and dynamic reflecting the organisational and social realities.

A successful leader is one who is keenly aware of those forces which are more relevant to his behaviour at any given time. He accurately understands himself, the individuals and the group he is dealing with, and the organisation and the broader social environment in which he operates.

However, merely understanding these factors correctly is not enough but he can be successful only when he is able to behave appropriately in the light of these perceptions and understanding. Thus, the authors have observed, "the successful manager of men can be primarily characterised neither as a strong leader nor as a permissive one. Rather he is one who maintains a high batting average in accurately assessing the forces that determine what his more appropriate behaviour at any given time should be and in actually being able to behave accordingly. Being both insightful and flexible, he is less likely to see the problem of leadership as a dilemma".<sup>18</sup>

#### LIKERT'S MANAGEMENT SYSTEM

Rensis Likert and his associates of University of Michigan, USA, have studied the patterns and styles of managers for three decades and have developed certain concepts and approaches important to understanding leadership behaviour. He has given a continuum of four systems of management as presented in Table. 25.2. In his management systems, Likert has taken seven variables of different management -influence, decision-making process, goal-setting and control process. Here partial table showing leadership process is presented on next page.

<sup>17</sup> Robert Tannenbaum and Warren H. Schmidt, "How to Choose a Leadership Pattern," *Harvard Business Review*, May-June 1973, pp. 162-180.

<sup>18</sup> *Ibid.*, p. 180.

TABLE 25.2: Likert's systems of management leadership

Leadership variable	System 1	System 2	System 3	System 4
Trust and confidence in subordinates.	Has no trust and confidence in subordinates.	Has condescending confidence and trust in subordinates.	Substantial but not complete confidence and trust in subordinates, such as master-hands.	Complete confidence and trust in all matters.

## MANAGEMENT

there is no

bordinates,  
rtain situ-

to assume  
nderstand-  
ledge and  
n decision-

ness, the

using lead-  
inisational  
o not exist  
ere would  
ese forces  
onal envi-  
compared  
nager and  
e forces in  
nong sys-  
nager and  
lom avail-  
cting the

are more  
myself, the  
e broader

ut he can  
of these  
ccessful  
nor as a  
curately  
ir, at any  
eing both  
hip as a

idied the  
tain con-  
. He has  
5.2. In his  
agement  
teraction  
e partial

## LEADERSHIP

TABLE 25.2: Likert's systems of management leadership

Leadership variable	System 1	System 2	System 3	System 4
Trust and confidence in subordinates.	Has no trust and confidence in subordinates.	Has condescending confidence and trust in subordinates, such as master has to a servant.	Substantial but not complete confidence and trust; still wishes to keep control of decisions.	Complete confidence and trust in all matters.
Subordinates' feeling of freedom.	Subordinates do not feel at all free to discuss things about the job with their superior.	Subordinates do not feel very free to discuss things about job with their superior.	Subordinates feel rather free to discuss things about the job with their superior.	Subordinates feel completely free to discuss things about the job with their superior.
Superior seeking involvement with subordinates.	Seldom gets ideas and opinion of subordinates in solving job problems.	Sometimes gets ideas and opinions of subordinates in solving job problems.	Usually gets ideas and opinions and usually tries to make constructive use of them.	Always gets ideas and opinion and always tries to make constructive use of them.

(Adapted from Rensis Likert, *The Human Organisation*, New York: McGraw-Hill, 1967, p. 4)

Likert's four systems of management in terms of leadership styles may be referred to as exploitative autocratic (system 1), benevolent autocratic (system 2), participative (system 3), and democratic (system 4). Likert, on the basis of intensive research, has shown that high producing departments in several organisations studied are marked by system 4 (democratic). He ascribes this mainly to the extent of participation in management and the extent to which the practice of supportive relationship is maintained. He states that leadership and other processes of the organisation must be such as to ensure a maximum probability that in all interactions and in all relationships within the organisation, each member in the light of his background, values, desires, and expectations, will view the experience as supportive and one which builds and maintains the sense of his personal worth and importance.<sup>19</sup>

Likert has also isolated three variables which are representative of the total concept of system 4. These are: (i) the use of supportive relationship by managers; (ii) the use of group decision-making and group methods of supervision; and (iii) the high performance goals.

## EMPLOYEE-PRODUCTION ORIENTATION

In the studies of the Survey Research Centre at the University of Michigan, USA, an attempt was made to study the leadership behaviour by locating clusters of characteristics that seemed to be related to each other and various indicators of effectiveness. The studies indentified two concepts which were called employee-orientation and production-orientation.<sup>20</sup> The employee-orientation stresses the relationship aspects of employees' jobs. It emphasises that every individual is important and takes interest in every one, accepting their individuality and personal needs. This is parallel to democratic concept of leadership behaviour. Production-orientation emphasises production and technical aspects of jobs and employees are taken as tools for accomplishing the jobs. This is parallel to the authoritarian concept of leadership behaviour.

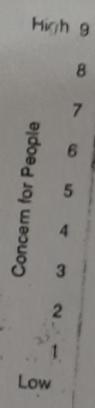
Almost at the same time, the leadership studies initiated by the Bureau of Research at Ohio State University attempted to identify various dimensions of leader behaviour. Such studies identified two dimensions: initiating structure and consideration.<sup>21</sup> Initiating structure refers to the leader's behaviour in delineating the relationship between himself and members of the work group and in endeavouring to establish well-defined patterns of organisation, channels of communications, and methods and procedures. Consideration refers to behaviour indicative of friendship, mutual trust, respect, and warmth in the relationship between the leader and the members of his staff.<sup>22</sup> The research studies also show that initiating structure and consideration are two separate distinct dimensions and not mutually exclusive. A low score on one does not necessitate high score on the other. Thus, leadership behaviour can be plotted on two separate axes rather than on a single continuum as shown in Figure 25.3 (page 647).

The four quadrants show various combinations of initiating structure and consideration. In each quadrant, there is a relative mixture of initiating structure and consideration and a manager can adopt any one style.

## MANAGERIAL GRID

One of the most widely known approaches of leadership styles is the managerial grid developed by Blake and Mouton.<sup>23</sup> They emphasise that leadership style consists of

factors of both  
Their 'concern for  
people or prod  
Thus, it does n  
ship needs are t  
ors towards a  
processes, creat  
volume of outp  
toward goal ac  
based on trust, a  
five leadership s  
in Figure 25.4:



L

- |       |                                       |
|-------|---------------------------------------|
| 1, 1. | Blake and M<br>Exertion<br>organisati |
| 1, 9. | Thoughtfu<br>organisati               |
| 9, 1. | Efficiency<br>have little             |
| 5, 5. | Adequate<br>ing satisfia              |

<sup>19</sup>Likert, *op. cit.*, p. 47.

<sup>20</sup>Daniel Katz, et. al. *Productivity, Supervision, and Morale in Office Situation*, Ann Arbor: Survey Research Centre, University of Michigan, 1950.

<sup>21</sup>Roger M. Stogdill and Alvin E. Coons, *Leader Behaviour: Its Description and Measurement*, Ohio: The Ohio State University, 1957.

<sup>22</sup>*Ibid.*

<sup>23</sup>R.R. Blake and J.S. Mouton: *The Managerial Grid*, Houston: Gulf Publishing, 1964.

styles may be referred to as system 2), participative research, has studied are marked by participation in management is maintained. He believes such as to ensure a balance within the organisation and expectations, will maintains the sense of his

representative of the total relationship by managers; supervision; and (iii) the

Michigan, USA, an assessors of characteristics of effectiveness. The relation and production aspects of and takes interest in parallel to demphasises production accomplishing the our.

by the Bureau of dimensions of leader; structure and delineating the in endeavouring communications, and love of friendship, leader and the structure and fully exclusive. A thus, leadership e continuum as

structure and g structure and

managerial grid style consists of

Survey Research

Ohio: The Ohio

### LEADERSHIP

High Consideration and Low Structure	High Structure and High Consideration
Low Structure and Low Consideration	High Structure and Low Consideration

FIGURE 25.3: The Ohio State leadership quadrants

factors of both task-oriented and relation-oriented behaviour in varying degrees. Their 'concern for' phrase has been used to convey how managers are concerned for people or production, rather than 'how much' production getting out of group. Thus, it does not represent real production or the extent to which human relationship needs are being satisfied. Concern for production means the attitudes of superiors towards a variety of things, such as, quality of decisions, procedures and processes, creativeness of research, quality of staff services, work efficiency, and volume of output. Concern for people includes degree of personal commitment toward goal achievement, maintaining the self-esteem of workers, responsibility based on trust, and satisfying inter-personal relations. The managerial grid identifies five leadership styles based upon these two factors found in organisations, as shown in Figure 25.4:

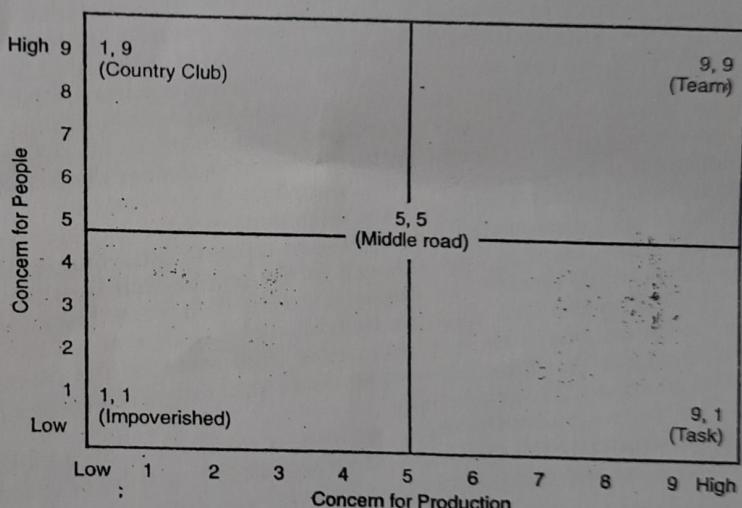


FIGURE 25.4: The managerial grid

Blake and Mouton have described the five styles as follows:

1. Exertion of minimum effort is required to get work done and sustain organisational morale;
2. Thoughtful attention to needs of people leads to a friendly and comfortable organisational atmosphere and work tempo;
3. Efficiency results from arranging work in such a way that human elements have little effect;
4. Adequate performance through balance of work requirements and maintaining satisfactory morale;

ciently diverse number of situations are tested, an equal number of each style would be obtained.

## FIEDLER'S CONTINGENCY MODEL

Fiedler's contingency model of leadership has the basic contention that the appropriateness of leadership styles depends on their matching with situational requirement. Taking clues from the situational approach that leadership effectiveness is situational, Fiedler alongwith his associates made an attempt to identify the situational variables and their relationship with appropriateness of leadership styles. Fiedler's model consists of three elements: leadership styles, situational variables, and their interrelationship.<sup>25</sup>

### Leadership Styles

Fiedler has identified leadership styles on two dimentions: task-directed and human relations oriented. *Task-directed style* is primarily concerned with the achievement of task performance. The leader derives satisfaction out of the task performance. *Human relations style* is concerned with achieving good interpersonal relations and achieving a position of personal prominence. Fiedler used two types of scores to measure the style adopted by a leader: scores on least preferred co-worker (LPC) and scores on assumed similarity (AS) between opposites. Rating on least preferred co-worker was based on an individuals' liking or disliking of working with other individuals in the group and measured on sixteen items such as pleasant-unpleasant, friendly-unfriendly, accepting-rejecting, and so on. Rating on assumed similarity

been pres

A ver  
good, tasl  
influence  
one (cell 8  
leader's p  
favourable

Relation k  
Fielder fee  
example, l

"the  
leade

<sup>25</sup> Fred E. Fiedler, *A Theory of Leadership Effectiveness*, New York: McGraw-Hill, 1967.

id has no concern for in suppressing and tion.

tation in a situation decision-maker and s in the situation to

! rules and regulat- ices only few ideas

s on high relation- nt to work, open- ates.

hat he wants and people oriented; llows feudalistic

n in a situation gement; task is as a powerful ership style. more than one ns. This gives a have an equal gers in a suffi- ch style would

the appropriate requirement. ness is situ- e situational les. Fiedler's es, and their

and human movement of performance. ations and f scores to (LPC) and ferred co- other indi- ipleasant, similarity

## LEADERSHIP

was based on the degree to which leaders perceived group members to be like themselves. The scores on two ratings had very high positive correlation.

### Situational Variables

Though there may be many situational factors affecting leadership effectiveness (discussed in the previous section), Fiedler has identified three critical dimensions of situation which affect a leader's most effective style. These are leader's position power, task structure and leader-member relations:

**Leader's Position Power.** This is determined by the degree to which a leader derives power from the position held by him in the organisation which enables him to influence the behaviour of others. In the case of a manager, it is authority delegated to him. As Fiedler points out, a leader with a clear and considerable position power can more easily obtain followership than one without such power.

**Task Structure.** Task structure refers to the degree to which the task requirements are clearly defined in terms of task objectives, processes, and relationship with other tasks. When the tasks are clear, the quality of performance can be more easily controlled, and group members can be held responsible for performance than tasks are unclear.

**Leader-Member Relations.** It refers the degree to which followers have confidence, trust, and respect in the leader. Fiedler has considered this dimension as the most important for the leader as his position, power and task structure are subject to control by the organisation and these can be prescribed. However, the leader has to build his relations with the group members on his own. If the group members have positive thoughts about the leader, leadership would be more effective.

All these situational variables taken together may define the situation to be favourable or unfavourable. Favourableness or unfavourableness of the situation has been presented in Figure 25.8.

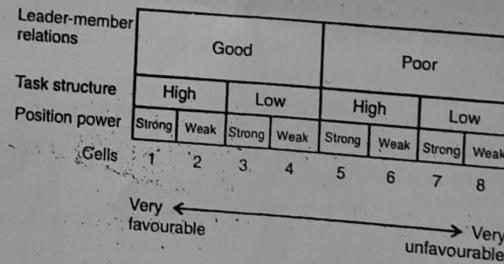


FIGURE 25.8: Favourableness/unfavourableness of situation

A very favourable situation is one (cell 1) where leader-member relations are good, task is highly structured, and the leader has enormous position power to influence his subordinates. At the other extreme, a very unfavourable situation is one (cell 8) where leader-member relations are poor, task is highly unstructured, and leader's position power is weak. Between these two extremes, the degree of favourableness/unfavourableness varies.

### Relation between Styles and Situation

Fiedler feels that the effectiveness of leadership style depends on the situation. For example, he says that:

"the group performance will be contingent upon the appropriate matching of leadership style and the degree of favourableness of the group situation for the

leader, that is, the degree to which the situation provides opportunities to the leader to influence his group members".<sup>26</sup>

Appropriateness of leadership styles in different situations has been presented in Figure 25.9.

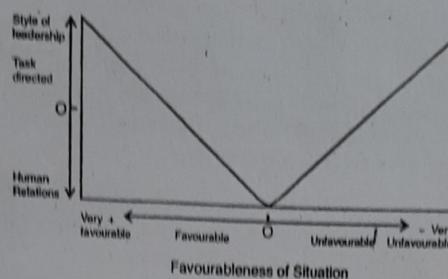


FIGURE 25.9: Fiedler model of leadership

Thus, task-directed and human relations-oriented styles tend to be effective in different situations.

1. Task-directed leadership style tends to be better in group situations that are either very favourable or very unfavourable to the leader.
2. Human relations-oriented leadership style tends to be in group situations that are intermediate in favourableness.

The reason for this phenomenon has been provided by Fiedler. He says that:

"In the very favourable conditions in which the leader has power, informal backing, and a relatively well-structured task, the group is ready to be directed, and the group expects to be told what to do. Consider the captain of an airliner in its final landing approach. We would hardly want him to turn to his crew for a discussion on how to land".<sup>27</sup>

As an example of why the task-oriented leader is successful in a highly unfavourable situation, Fiedler has cited that:

"...the disliked chairman of a volunteer committee which is asked to plan the office picnic on a beautiful Sunday. If the leader asks too many questions about what the group ought to do or how he should proceed, he is likely to be told that 'we ought to go home'.<sup>28</sup>

The leader who makes a wrong decision in this highly unfavourable situation is better off than the leader who makes no decision at all. Similarly, human relations leader is more effective in intermediate range of favourableness of situation because he can get the work done by using his interpersonal skills more than insisting on the work itself. An example of such a situation is the typical committee or a unit which is staffed by professionals. In such a situation, the group members may not wholly accept the leader, the task may not be completely structured, and the leader may not have adequate authority; he has to rely more on persuasion and interpersonal relations to get the work done.

<sup>26</sup>Ibid., p. 151.

<sup>27</sup>Ibid., p. 147.

<sup>28</sup>Ibid., p. 147.

LEADERS

Implica  
Fiedler'  
breakth  
been co  
mented  
its effe  
model

1. No like req
2. Th eff eff als for

Criticis  
When I  
with ai  
from th  
ables.  
examp  
Fiedler  
many  
model  
ing tha  
leader  
who is  
the tw

HERS

Herse  
uation  
model  
style &  
has a  
There  
subor

Leade  
Leade  
two c  
our is  
our is  
Comk  
Figur

<sup>29</sup>James  
cesses

<sup>30</sup>Fiedl

<sup>31</sup>Paul  
Prent

xtunities to the  
is been presented in

I to be effective in  
situations that are  
up situations that  
He says that:  
informal back-  
directed, and  
an airliner in its  
his crew for a  
il in a highly un-  
ed to plan the  
estions about  
to be told that

urable situation is  
human relations  
situation because  
an insisting on the  
ze or a unit which  
s may not wholly  
he leader may not  
and interpersonal

### Implications of Fiedler's Model

Fiedler's model offers a number of implications. The model provides a promising breakthrough in leadership research. Various research studies in leadership have been conducted based on this model and they support the model. It has been commented that this model is and will probably remain a rich source of leadership and its effectiveness.<sup>29</sup> From the viewpoint of organisational implications, Fiedler's model offers two implications:

1. No leadership style is appropriate for all situations. Therefore, there is nothing like the best style. The managers can adopt the leadership styles according to the requirements of the situations.
2. There is a need for matching leaders and job situations to achieve organisational effectiveness. Fiedler says that "if we wish to increase organisational and group effectiveness, we must learn not only how to train leaders more effectively but also how to build an organisational environment in which the leader can perform well."<sup>30</sup>

### Criticism of the Model

When the model was first published, it attracted lot of criticisms which is quite usual with any new concept which departs from the usual practices. The criticisms ranged from the defective research methodology to lack of comprehensive situational variables. Some of these criticisms are valid while many others are superfluous. For example, much criticisms of research methodology do not hold good. Of course, Fiedler's model has considered only limited situational variables. In fact, there are many more variables than what the model has taken into account. Further, Fiedler's model, seems to be reverting back to a single continuum of leadership style, suggesting that there are only two basic leadership styles; while most studies indicate that leadership styles can be plotted on two axes. Thus, it is not necessary that a leader who is high on one dimension, is low on other dimension. Rather, a combination of the two is found. Inspite of these criticisms, the model has its relevance.

### HERSEY-BLANCHARD'S SITUATIONAL MODEL

Hersey-Blanchard's situational leadership model takes a different perspective of situational variables as compared to Fiedler's model.<sup>31</sup> Hersey and Blanchard feel (the model is not based on empirical studies) that the leader has to match his leadership style according to the needs of maturity of subordinates which moves in stage and has a cycle. Therefore, this theory is also known as life-cycle theory of leadership. There are two basic considerations in this model: leadership styles and maturity of subordinates.

### Leadership Styles

Leadership styles may be classified into four categories based on the combination of two considerations: relationship behaviour and task behaviour. Relationship behaviour is determined by socio-emotional support provided by the leader. Task behaviour is seen in terms of the amount of guidance and direction provided by the leader. Combination of these two dimensions results into four leadership styles as shown in Figure 25.10.

<sup>29</sup>James L. Gibson, John M. Ivancevich, and James H. Donnelly, *Organisations: Behaviour, Structure, Processes*, Dallas: Business Publications, 1989, p. 216.

<sup>30</sup>Fiedler, *op. cit.*, p. 261.

<sup>31</sup>Paul Hersey and Kenneth H. Blanchard, *Management of Organisational Behaviour*, Englewood, NJ: Prentice-Hall, 1988.

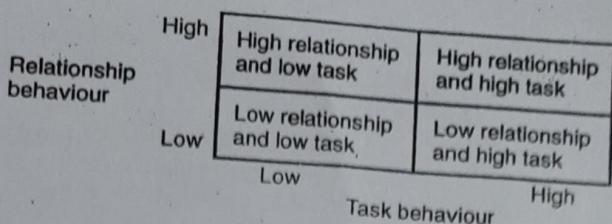


FIGURE 25.10: Leadership behaviour (styles)

**Subordinate's Maturity**

Maturity in this model has been used in the context of ability and willingness of the people for directing their own behaviour and is not strictly in accordance with the immaturity-maturity theory of Argyris. Ability refers to the knowledge and skills of an individual to do the job and is called job maturity. Willingness refers to the psychological maturity and has much to do with confidence and commitment of the individual. These variables of maturity should be considered only in relation to a specific job to be performed. That is to say, an individual or a group is not mature or immature in any total sense. All persons tend to be more or less mature in relation to a specific task, function, or objective that a leader is attempting to accomplish through their efforts. In addition to assessing the level of maturity of individuals in the group, he has to assess the maturity level of the group as a whole, particularly if the group interacts frequently together in the same work area. When both components of maturity—ability and willingness—are combined, we can get four combinations:

1. Low ability and low willingness—low maturity
2. Low ability and high willingness—low to moderate maturity
3. High ability and low willingness—Moderate to high maturity
4. High ability and high willingness—high maturity

**Combining Leadership Styles and Maturity**

If we combine leadership styles and maturity, that is, the leadership style which is appropriate at a given level of maturity, we may arrive at the relationship between the two as shown in Figure 25.11.

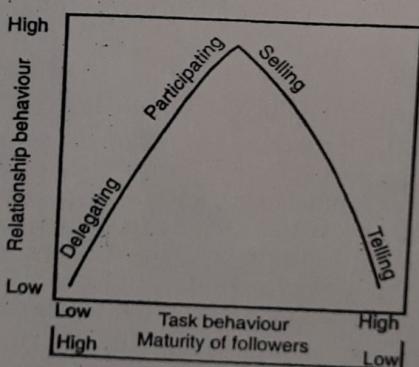


FIGURE 25.11: Hersey-Blanchard's model of situational leadership styles

Thus, there of maturity. 1  
gating.

**Telling.** Wh  
ability nor the  
directive beha  
our.

**Selling.** For  
lack ability, &  
supportive an  
ship behaviou

**Participating,**  
but lack willin  
ticipating lead  
is more appro

**Delegating,**  
willingness to  
leadership sty  
and low relati

**Implications**  
Hersey-Blanc  
important co  
sometimes c  
subordinates  
as the matur  
behaviour. N  
this model w  
should do an  
developing p

The mod  
evidence to s  
enough inter  
deficiency in  
that is, matu  
leadership ef  
leadership.

**PATH-GOA**

Robert Hous  
presented by  
could not cal  
nation of sit  
other situatio  
ness in differe  
to clarify an

<sup>a</sup>Robert J. How  
ber 1971, pp. 3  
ship," Organis

<sup>b</sup>Bruce S. Georg  
ity," Journal of

Thus, there are four leadership styles, each being appropriate to a specific level of maturity. The four leadership styles are: telling, selling, participating, and delegating.

**Telling.** Where the subordinates have low maturity, that is, neither they have ability nor they are willing to do, they require telling leadership style. It emphasises directive behaviour and involves high task behaviour and low relationship behaviour.

**Selling.** For subordinates of moderate maturity who have high willingness but lack ability, selling leadership style is appropriate. The subordinates require both supportive and directing behaviour which is marked by high task and high relationship behaviour.

**Participating.** Subordinates with moderate to high maturity who have ability to do but lack willingness require high external motivating force. In such a situation, participating leadership style with low task behaviour and high relationship behaviour is more appropriate.

**Delegating.** Subordinates with high maturity, that is, they have both ability and willingness to work, hardly require any leadership support. The most appropriate leadership style in such a situation is delegating which involves low task behaviour and low relationship behaviour.

#### Implications of the Model

Hursey-Blanchard's model is simple and intuitively appealing and accents an important contingency variable—employee's capabilities on a specific task—that is sometimes overlooked. The model suggests that the maturity level of the subordinates and the group has an important bearing for leadership behaviour, and as the maturity level changes, there must be corresponding change in leadership behaviour. Managers having faith in participative leadership style, have received this model with jubilation and assert that it helps them to determine as to what they should do and in what circumstances. The model has provided training ground for developing people in the organisations.

The model, however, has some shortcomings. There has not been much research evidence to support or reject the applicability of the model as it could not arouse enough interest in researchers. Therefore, it has not become much popular. Another deficiency in the model is that only one aspect of the total situation of leadership, that is, maturity level of employees has been taken into consideration to judge the leadership effectiveness. Therefore, this model does not truly reflect the situational leadership.

#### PATH-GOAL MODEL OF LEADERSHIP

Robert House and others have developed a path-goal model of leadership initially presented by Evans.<sup>32</sup> Though the concept of path-goal was presented in 1957, it could not catch much attention.<sup>33</sup> Path-goal model of leadership is basically a combination of situational leadership and Vroom's expectancy theory of motivation. Like other situational theories, path-goal model attempts to predict leadership effectiveness in different situations. According to this model, the main function of a leader is to clarify and set goals with subordinates, to help them to find the best path for

<sup>32</sup> Robert J. House, "A Path-Goal Theory of Leader Effectiveness," *Administrative Science Quarterly*, September 1971, pp. 321-338. Martin G. Evans, "The Effect of Supervisory Behaviour on the Path-Goal Relationship," *Organisational Behaviour and Human Performance*, May 1970, pp. 277-295.

<sup>33</sup> Basil S. Georgopoulos, Gerald M. Mahoney, and Nyle W. Jones, "A Path-Goal Approach to Productivity," *Journal of Applied Psychology*, December 1957, pp. 345-353.