

BBA (ITM) SEM. - I**PRINCIPLES OF MANAGEMENT**
(CODE: UM01DBBI51)**UNIT 3: LEADERSHIP AND MOTIVATION****LEADERSHIP**

- Meaning
- Definition of Leadership
- Qualities of a good leader
- Leadership styles : Autocratic, Democratic and Free Rein

MOTIVATION

- Meaning
- Definition
- Importance of Motivation
- Theories of Motivation
 - Need Hierarchy Theory by Maslow,
 - Two Factor Theory by Herzberg
 - Theory X & Theory Y by McGregor

LEADERSHIP**MEANING**

Success of a business concern is dependent upon the ability of its leadership. Leadership exists in any type of organisation. Whenever and in whatever situation tries to influence the behaviour of another individual or a group, there is leadership.

In any organisation, wherever an individual has subordinates, he may act as a leader. The efforts of subordinates (followers) are to be channelized in the right direction. As leaders, they are not only the responsible for directing their

followers but also responsible for the attainment of goals of the organisation. It is believed that leaders are born and not made. At the time, a few people also believe that leaders are not born but made. But generally, leaders are born and also made.

DEFINITION

Allen, "Leader is one who guides and directs other people. He must give effective direction and purpose."

In the words of Peter Drucker, "Leadership is the lifting of man's visions to higher rights, the raising of man's performance to higher standards, the building of man's personality beyond its normal limitations."

Robert C Applby defines, "Leadership is a means of direction, is the ability of the management to induce subordinate to work towards group ideals with confidence and keenness."

Chester I Barnard holds, "It (leadership) refers to the quality of the behaviour of the individual whereby they guide people on their activities in organised efforts."

R T Livingston believes, "Leadership is the ability to awaken in others the desire to follow a common objective."

QUALITIES OF GOOD LEADER

1. Energy

A leader should have both mental and physical energy to work for sufficiently long hours without feeling tired

2. Emotional Maturity and Stability

A leader should act with self-confidence, avoid anger, take decisions on a rational basis and think clearly and maturely. He should not be whimsical but consistent in his actions because of his emotional stability and his cool mind

3. Knowledge of Human Relations

A leader should have an understandings of human behaviour; that is, he should know people, know their needs, sentiments, emotions, as also their actions and reactions to particular decisions, their motivations, etc.

4. Objectivity

A leader's approach to any issue-problem should be objective and not based on any pressure, fear, bias, prejudice or preconceived notions. His decisions should be based upon reasoning, facts and a careful analysis of a problem. Objectivity is a vital aspect of analytical decision making. Objectivity also helps to insure a fair, consistent course of action from the leader.

5. Empathy

A leader should be able to look at things objectivity and from the point of view of others. He should respect the rights of others, their beliefs and sentiments. In other words, he should equip himself to meet the challenges emanating from the actions and reactions of other people. The leader should be perceptive or empathetic towards his subordinate – followers so that he can discern their strength, weaknesses, ambitions and can give them the attention they deserve. He should also be perspective introspectively so that he can know his own strengths, weaknesses and goals and can give proper consideration to them.

6. Personal Motivation

This involves the creation of enthusiasm within the leader himself to get a job done. It is only through enthusiasm that one can achieve what one wants.

7. Communication Skill

A leader should be able to talk and write clearly and forcefully. He should have the ability to persuade, inform, stimulate, direct and convince his subordinates that it is in their own interest to offer him their willing co-operation in the performance of his task. Good communications seem to find all responsibilities easier to perform.

8. Teaching ability

A leader should have the ability to demonstrate how to accomplish a particular task, to correct errors, prepare followers for achievement, and ask questions and offer suggestions.

9. Social Skill

He should understand his people, and their weak and strong points, have the ability to win their confidence and loyalty, be helpful, friendly, sympathetic, and easily approachable; he should have the skill to ensure that others succeed.

10. Technical Competence

He should have a thorough knowledge of, and competence in, the principles, procedures and operations of a job. Technical skill involves specialized knowledge, analytical skill, and a facility in the use of the tools and techniques of a specific discipline.

11. Integrity

A leader should be morally sound. In the words of Fredrick Taylor, “integrity is that straightforward honesty of purpose which makes a man truthful, not only to others but to himself; which makes a man high-minded, and gives him high aspirations and high ideals.”

12. Conceptual skill

He should have the ability to look at the enterprise as a whole, to recognize that the various functions of an organisation depend upon one another and are inter-related, that changes in one affect all the others.

13. Moral Courage

A leader should have the moral courage to do the things which, he believes, are right, and stand by the decision he has taken

14. Flexibility of Mind

A leader should have a flexible mind so that he may change in obedience to the change in circumstances.

15. Ability to establish proper priorities

He must have the ability to see what is important and what is not. When decisions are necessary, the gifted leader knows which alternatives are worthy of consideration and which are not. When supervisory action is at stake, the priority-oriented leader gives attention to the critical, most meaningful areas. He is not distracted by surface issues but pierces the heart of the matter.

LEADERSHIP STYLE

1. Autocratic style

In autocratic leadership superior exercised complete control over subordinates. He centralized power in himself and take all decisions without consulting the subordinates. He loves power and never delegates the authority. The leader gives order and expects them to follow them immediately. He uses rewards and holds threaten of penalties to direct the subordinates.

Advantages:

1. Autocratic leadership styles permits quick decision making
2. Less competent subordinates are needed at lower levels
3. It provides strong motivation and satisfaction to the leader
4. This style may cause positive results when great speed is required

Disadvantage:

1. Autocratic style leads to frustration, low morale and conflict among subordinates.
2. The potential of subordinates and their creative ideas are not utilized.
3. Organisational continuity is threatened in the absence of the leader because subordinates get no opportunity for own development.
4. Subordinates get no opportunity for own development

Autocratic leadership style may be appropriate when subordinates are uneducated, unskilled and unknowledgeable.

2. Democratic leadership/ participative/ consultative leadership style

A democratic leader takes decisions in consultation and participation with the subordinates. He decentralized the authority and allows the subordinates to share his power. The leader does what the group wants and follows the majority opinions. He keeps the follower informed among the matter affecting them. A democratic leader provides freedom of thinking and exploring. He listens to the suggestions and opinions of the subordinates.

Advantages:

1. Consultative leadership involves the job satisfaction and moral of subordinates
2. It cultivates the decision making ability of the subordinates
3. The leader multiplies his abilities through the contribution of the followers
4. It develops positive attitude and reduce resistance to change

Disadvantages

1. Democratic style is time consuming and makes results in delays in decision making
2. It may not give positive results when subordinates prefer minimum interaction with the leader
3. It requires considerable communicating and appropriate skills on the part of the leader

Consultative leadership is considered to be more effective than autocratic style

3. Free-reign Leadership

Free-reign leadership involves complete delegation of authority. So that subordinates themselves takes decisions. The free reign leader avoids power. He serves only as a “Contact” to bring out the information and resources needed by the subordinates.

Advantages:

1. Positive effect on job satisfaction and moral of subordinates

2. Maximum possible scope for development of subordinates
3. Full utilisation of the potential of subordinates

Disadvantages:

1. Subordinates do not get the support of the leader
2. It ignores the leader's contribution
3. Subordinates may move in different directions and may work at cross purposes.

Free reign style may be appropriate when the subordinates are well trained, highly knowledgeable, self-motivated and ready to assume responsibility.

MOTIVATION

MEANING

The term 'motivation' has been derived from the word 'motive'. Motives may be defined as drives or impulses within an individual. It implies something within a person which prompts him into action. Motives are expressions of a person's needs or wants and hence they are personal or internal. Motives or needs start and maintain activity and determine the behaviour of an individual. Motives provide direction to human behaviour as they are directed towards certain conscious or sub-conscious goals. A goal is an outward stimulus for the motive to work. The process of satisfying the needs and motives of an individual in order to inspire him to work efficiently for desired ends is called motivation.

Motivation may be defined as the complex of forces inspiring a person at work to willingly use his capacities for the accomplishment of certain objectives. It is something that impels a person into action and continues him in action with enthusiasm.

DEFINITION

Accordingly to Dale S. Beach, "Motivation is an inspirational process which impels the members of a team to pull their weight effectively, to give their loyalty to the group, to carry out properly the tasks that they have accepted

and generally to play an effective part in the job that the group has undertaken."

Robert Dubin, "as the complex of forces standing and keeping a person at work in an organisation."

Beach, "Motivation as the willingness to expand energy to achieve a goal or a reward."

Owen, "Motivation as an ordered way of explaining why a person elects to channel his energies in one direction rather than in another."

Koontz and O'Donnell, "Motivation is a general term applying to the entire class of drives, desires, needs, wishes and similar forces that induce an individual or a group of people to work."

Scott, "Motivation means a process of stimulating people to action to accomplish desired goals."

IMPORTANCE

Motivation is an integral part of the process of direction. While directing his subordinate, a manager must create and sustain in them the desire to work for the specified objectives. Two important things are necessary to perform any job. People have ability to work and willingness to work. Unwillingness to work is of no use. Hence, there is a need for motivation to create willingness in the minds of works to do a job. The importance of motivation are as follows:

1. Maximum utilization of factors of production

Workers perform the work sincerely through the inspiration of motivation. This creates the possibility of maximum utilisation of factors of production i.e. labour and capital.

2. Willingness to work

Motivation influences the willingness of people to work. A man is technically, mentally and physically fit to perform the work but he may not be willing to

work. Motivation creates a willingness on the part of workers to do the work in a better way.

3. Reduced absenteeism

Financial incentive schemes forces the workers to work more. Financial incentive scheme is framed in such a way that monetary benefits are given on the basis of number of hours engaged. This reduced absenteeism.

4. Reduced labour turnover

Motivation has both financial and non-financial incentive schemes. This helps to retain the existing labourers. The enterprise can plan its activities on long-term basis with the help of reduced labour turnover.

5. Availability of right personnel

Financial and non-financial incentives not only retain the existing employees but also attract the employees from outside the enterprise. In other words, right people are attracted from outside to work for the enterprise.

6. Building of good labour relations

Motivation helps to solve the labour problems of absenteeism, labour turnover, indiscipline and grievance. This ensures building of good labour relations.

7. Increase in the efficiency and output

Both workers and management have got benefits from motivational plans. On the one hand, wages of the workers increase corresponding to the increase of output and efficiency. On the other hand, the productivity of the organisation and its profits increases due to consolidated efforts of the motivated people.

8. Sense of belonging

A proper motivation scheme promotes closer rapport between enterprise and workers. The workers begin to feel that the enterprise belongs to them and

consider its interests as their own. Thus, there is no difference between workers and enterprise.

9. Basis of co-operation

Efficiency and output are increased through co-operation. The co-operation could not be obtained without motivation, so, motivation is a basis of co-operation.

10. Helps in realising organisational goals

Organisational goals are achieved quickly through motivation. Motivated employees have a feeling of total involvement in the performance of organisation task. Employees may work whole-heartedly for the realisation of organisational goals.

11. Improvement upon skill and knowledge

Employees have promised efficient job performance or completion. Hence, the employees may improve upon their skill and knowledge required for the job.

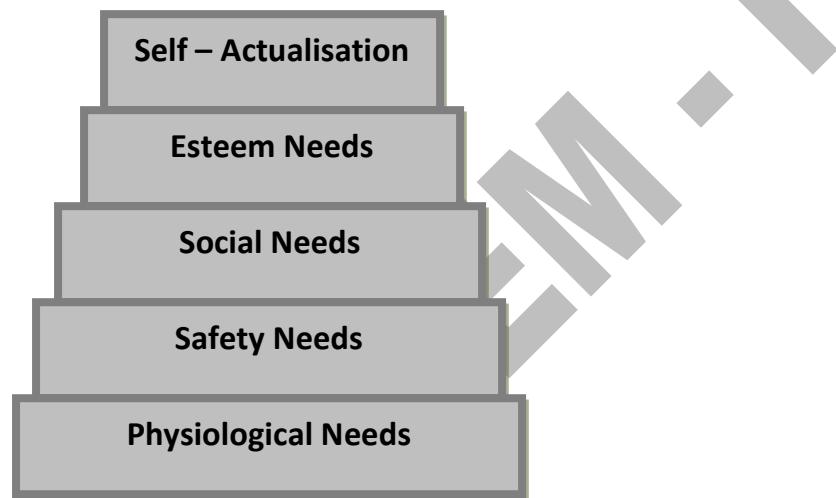
THEORIES OF MOTIVATION

From the very beginning, when the human organisations were established, various thinkers have tried to find out the answer to what motivates people to work. Different approaches applied by them have resulted in a number of theories concerning motivation. These all theories are broadly classified into three categories:

1. Theories based on human needs (theories by Maslow, Herzberg and McClelland)
2. Theories based on human nature (theories by McGregor, Urwick and Argyris)
3. Theories based on expectancy of human beings (theories by Vroom and Porter and Lawler)

Maslow's need Hierarchy theory

It is probably safe to say that the most well-known theory of motivation is Maslow's need hierarchy theory. Maslow's theory is based on the human needs. Drawing chiefly on his clinical experience, he classified all human needs into a hierarchical manner from the lower to the higher order. In essence, he believed that once a given level of need is satisfied, it no longer serves to motivate man. Then, the next higher level of need has to be activated in order to motivate the man



1. Physiological Needs:

These needs are basic to human life and hence include food, clothing shelter, air, water and necessities of life. These needs relate to the survival and maintenance of human life. They exert tremendous influence on human behaviour. These needs are to be met first at least partly before higher level needs emerge. Once physiological needs are satisfied, they no longer motivate the man.

2. Safety Needs:

After satisfying the physiological needs, the next needs felt are called safety and security needs. These needs find expression in such desires as economic security and protection from physical dangers. Meeting these needs requires more money and hence the individual is prompted to work more. Like physiological needs, these become inactive once they are satisfied.

3. Social Needs:

Man is social being. He is, therefore, interested in social interaction, companionship, belongingness, etc. It is this socializing and belongingness why individuals prefer to work in groups and especially older people go to work.

4. Esteem Needs:

These needs refers to self-esteem and self-respect. They include such needs which indicate self-confidence, achievement, competence, knowledge and independence. The fulfilment of esteem needs leads to self-confidence, strength and capability of being useful in the organisation. However, inability to fulfil these needs results in feeling like inferiority, weakness and helplessness.

5. Self-Actualisation Needs:

This level represents the culmination of the lower, intermediate and higher needs of human beings. In other words, the final step under the need hierarchy model is the need for self-actualization. This refers to fulfilment, the term self-actualization was coined by Kurt Goldstein and means to become actualized in what one is potentially good at. In effect, self-actualization is the person's motivation to transform perception of self into reality.

According to Maslow, the human needs follow a definite sequence of dominations. The second need does not arise until the first is reasonably satisfied, and the third need does not emerge until the first two needs are unlimited. However, Maslow's need hierarchy theory is not without its detractors. The main criticisms of the theory include the following:

1. The needs may or may not follow a definite hierarchical order. So to say, there may be overlapping in need hierarchy. E.g. even if safety need is not satisfied, the social need may emerge,
2. The need priority model may not apply at all times in all places.
3. Researches show that man's behaviour at any time is mostly guided by multiplicity of behaviour. Hence, Maslow's preposition that one need is satisfied at one time is also of doubtful validity.

4. In case of some people, the level of motivation may be permanently lower. E.g. a person suffering from chronic unemployment may remain satisfied for the rest of his life if only he/she can get enough food.

Not with standing, Maslow's need hierarchy theory has received wide recognition, particularly among practicing managers. This can be attributed to the theory's natural logic and easy to understand.

Herzberg theory

In 1959, Frederick Herzberg, a behavioural scientist proposed a two-factor theory or the motivator-hygiene theory. According to Herzberg, there are some job factors that result in satisfaction while there are other job factors that prevent dissatisfaction. According to Herzberg, the opposite of "Satisfaction" is "No satisfaction" and the opposite of "Dissatisfaction" is "No Dissatisfaction".

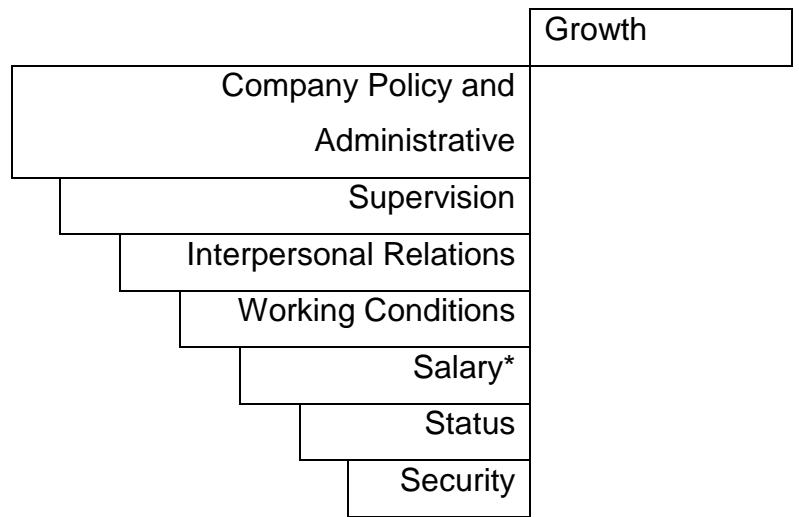
Herzberg classified these job factors into two categories-

(A) Hygiene factors

Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as **dissatisfies or maintenance factors** as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled.

Hygiene factors include:

Hygiene: Job Dissatisfaction	Motivation: Job Satisfaction
	Achievement
	Recognition
	Work itself
	Responsibility
	Advancement



1. Company Policies and administrative policies - The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
2. Interpersonal relations - The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
3. Fringe benefits - The employees should be offered health care plans (mediclaim), benefits for the family members, employee help programmes, etc.
4. Physical Working conditions - The working conditions should be safe, clean and hygienic. The work equipment should be updated and well-maintained.
5. Pay/ Salary- The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.
6. Status - The employees' status within the organization should be familiar and retained.
7. Job Security - The organization must provide job security to the employees.

(B) **Motivational factors**- According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these

factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:

1. Sense of achievement - The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
2. Recognition - The employees should be praised and recognized for their accomplishments by the managers.
3. Meaningfulness of the work - The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.
4. Responsibility - The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.
5. Growth and promotional opportunities - There must be growth and advancement opportunities in an organization to motivate the employees to perform well.

Mc Gregory's Theory

Douglas McGregor of USA has propounded a theory of motivation in his book "The Human Side of Enterprise". He has identified two opposite sets of assumptions regarding human behaviour under the title "Theory X and Theory Y"

Theory X

According to McGregor, theory X is a traditional view of human nature and emphasizes the need for control over people. It is based upon negative assumptions about human behaviour. It makes the following assumptions:

1. Most people have an inherent dislike of work and tend to avoid work if they can. In other words, workers are inherently lazy and desire to work as little as possible.
2. An average human being prefers to be directed, wishes to avoid responsibility and has little ambition

3. Most people are incapable of directing their own behaviour and want security above all
4. They are indifferent to organisational needs and are not interested in achievement
5. People must be pressurized, directed and controlled to get work from them

Thus, theory X visualizes man as an economic being and envisages a carrot and stick approach to management. It favours autocratic leadership to persuade and push workers into performance. It relies on the exercise of authority through the chain of command. McGeorge points out that these views of human behaviour are incorrect and create resentment among employees. He propounded 'Theory Y' which in his opinion is based upon realistic assumptions

Theory Y

The theory Y recognizes interdependence of superior and subordinated emphasizes the need for utilizing inner motivation of human beings. It is based upon the following assumptions:

1. The average human being has no inherent dislike for work. Work is as natural as rest or play.
2. Man will exercise self-control and self-direction in the service of objectives of which he is committed and there is no need for use of force or threat.
3. Commitment to objectives is a result of the rewards associated with their achievement. People commit themselves to those objectives which promise them the satisfaction of their needs
4. The average human being under proper conditions, does not shirk responsibility. He is ready not only to accept responsibility but also to seek it
5. The capability 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 conditions of modern industrial life, the intellectual potentialities of people are only partially utilized. In reality people have unlimited potential

7. Self-direction and self-control in the pursuit of mutually acceptable goals is the best condition for motivation.

Theory Y stresses the need to focus on the satisfaction of higher order needs of employees because lower-order needs in work organisation are pretty well satisfied.

McGeorge's theory reveals that the style a manager adopts while trying to motive employees depends upon his assumptions about human nature and human behaviour in work organisation.

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