



Block

4

COMMUNICATION, MOTIVATION AND LEADERSHIP

UNIT 14

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BLOCK 4 COMMUNICATION, MOTIVATION AND LEADERSHIP

You have learnt about foundation of Indian business in Block 1, Business Enterprises in block 2 and Management, Organisation and Control in Block 3. This fourth block covers the process and theories of motivation, the theories, styles and functions of leadership, the concept of team and team development, team building and team effectiveness.

Unit 14 discusses the nature and characteristics of communication, the process of communication, the different types of channels of communication, the barriers of effective communication and the principles of communication.

Unit 15 explains the concept and process of motivation, the different theories of motivation, the importance of job enrichment, and the various types of motivation.

Unit 16 deals with nature and importance of leadership, the various theories and styles of leadership, the functions of leadership and the qualities of an effective leader. It also discusses the significance of morale and the factors determining morale.

Unit 17 describes the concept and types of team, the team development, team building and team effectiveness.

UNIT 14 COMMUNICATION AND COORDINATION

Structure

- 14.0 Objectives
- 14.1 Introduction
- 14.2 Nature and Characteristics of Communication
- 14.3 Process of Communication
- 14.4 Channels of Communication
 - 14.4.1 Based on Relationships
 - 14.4.2 Based on Direction of Flow
 - 14.4.3 Based on Method Used
- 14.5 Importance of Communication
- 14.6 Barriers to Effective Communication
- 14.7 Principles of Communication
- 14.8 How to Make Communication Effective?
- 14.9 Definition of Coordination
- 14.10 Objectives of Coordination
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- 14.13 Answers to Check Your Progress
- 14.14 Terminal Questions

14.0 OBJECTIVES

After studying this unit, you should be able to :

- explain the meaning of communication
- describe the nature and characteristics of communication
- outline the process of communication
- enumerate and distinguish between different types of channels of communication
- State the importance of communication in management
- describe the barriers to effective communication
- state the principles of communication
- suggest how can communication be made effective.

14.1 INTRODUCTION

Communication is as important aspect of the directing function of management as supervision, motivation and leadership. The success of management depends on a great deal on effective communication. Since the purpose of directing is to activate subordinates to work towards the realisation of organisation goals,

therefore, the orders, instructions, plans, policies, rules, procedure and methods of operation must be communicated by managers to their subordinates. Similarly, the problems arising in the work process, actual performance of employees etc. must be known to the superiors for proper guidance to be given to them in the day-to-day activities. In this Unit, we will discuss the meaning of communication in a business organisation, its nature, characteristics and importance. We shall also distinguish between the various channels of communication which may be used in an organisation, analyse the barriers to effective communication and discuss how communication can be made effective on the basis of the principles of communication.

14.2 NATURE AND CHARACTERISTICS OF COMMUNICATION

Simply stated, communication means transmission of messages or exchange of ideas, facts, opinion or feelings between two or more persons. It is the act of making one's ideas and opinions known to others. It may also be regarded as the process of meaningfully transferring information from one person to another. In an organisational set up, communication is the means by which people are linked together for a common purpose, to establish a common interest or mutual understanding. Thus, communication does not simply involve sending of a message by one person. It also involves the receiver listening to it, interpreting it, and responding to it or acting according to it.

Communication is essentially a two-way process. It is not complete unless the receiver of the message has understood the message and his reaction or response is known to the sender of the message. The basic purpose of communication is to create mutual understanding and unity of commonness of purpose. It may involve exchange of facts by way of information, thought, or ideas, opinion or points of view, feelings or emotions. Communication is a continuous process in management. No manager can avoid communicating with his superior and subordinates in the course of his activities. Inadequate or ineffective communication is often responsible for making managerial performance unsatisfactory. Managers at all levels and in all departments must communicate to keep the wheels of operations running smoothly. Thus communication pervades the entire organisation.

The characteristics of communication in a business enterprise may be outlined as follows:

- 1) It is a cooperative process involving two parties, one who transmits and one who receives the message.
- 2) The respective parties to a communication must have the ability to convey and listen to what his counterpart has to communicate.
- 3) Communication includes sending the message as well as receiving the reaction or response to the message and therefore is a two-way traffic.
- 4) The response to a communication is as essential as the initial communication because the response indicates the impact of the communication.

- 5) The message to be communicated may be conveyed verbally, in writing, by means of signs, gestures or symbols. More than one means may be adopted to make the communication effective.
- 6) The purpose of communication is that of passing information and understanding, to bring about commonness of purpose, interest and efforts.
- 7) Communication is a continuous process for effectiveness and efficiency of on going operations, planning and policy making.
- 8) Communication may flow vertically upward or downward between superiors and subordinates, horizontally between persons occupying similar ranks in different departments, as well as diagonally between persons at different levels in different parts of the organisation. Hence, communication flows pervade the entire organisation.

14.3 PROCESS OF COMMUNICATION

The process of communication implies the existence of a sender, a receiver, a message and a motivating climate for it. The process includes the following steps :

- 1) **Clear perception of the idea or problem :** No message can be transmitted properly unless the idea or problem is formulated with clarity of thought and perception on the part of the communicator. It is only on the basis of clear thinking that the communicator can decide on the means to be adopted to convey the message.
- 2) **Participation of others involved :** The next step is to secure the participation of other persons in the decision to communicate a message. This may be helpful in clarifying the ideas through interaction with others, gathering new ideas and suggestions, and in creating a motivating climate for securing positive response to the message.
- 3) **Transmission of the message :** What to communicate, to whom, when and how are expected to be decided before actual transmission of the message. Actual transmission involves preparing the matter and the form of communication (known as ‘encoding’ the message) and selecting the medium or means of communication (oral or written) keeping in view the nature of person or group to be addressed.
- 4) **Motivating the receiver of the message :** The communicator cannot depend on the message alone to get an appropriate response from the receiver. He must ensure that the receiver of the message is not only able to interpret the message correctly but is also prepared to act according to it. Thus, apart from the clarity of the message, it must inspire the receiver to do or behave as desired by the sender of the message.
- 5) **Evaluation of the effectiveness of communication :** After the message has been transmitted and accepted by the receiver, it remains for the communicator to ascertain and evaluate the nature of impact of the communication. This determines whether and to what extent the receiver has positively responded to the message.

Elements in the Communication Process

The process of communication may be better understood if we take into account the basic elements in the communication process. The elements are shown in Figure 13.1

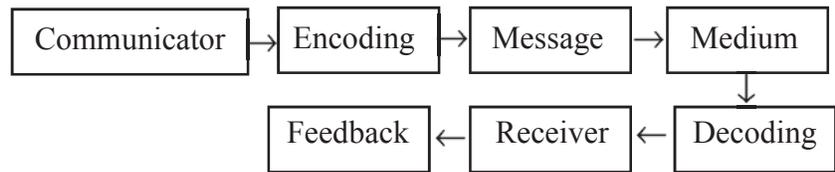


Fig. 14.1: Elements of Communication Process

Let us now discuss them one by one.

- 1) **Communicator** : The communicator plays an important role in the process of communication as the message originates from him. Communicators may include: managers, subordinates, clients, customers, as well as outside parties.
- 2) **Encoding** : Encoding the matter to be communicated is the second element. It refers to preparing the subject of communication (idea, fact, information, etc.) in a suitable language.
- 3) **Message** : The encoded message needs to be transmitted by appropriate means. It may be in verbal or written form depending on the purpose in view.
- 4) **Medium** : The medium of communication carries the message from the communicator to the receiver. Face-to-face verbal communication, use of telephone, intercom facilities, issue of memorandum, notice, circulars, statements, telegraph, telex, etc. are the various means available as media of communication. Besides, non-verbal media like signals, gestures, etc. may also be used. The choice of medium is an important aspect of communication, since proper medium also determines its effectiveness.
- 5) **Decoding** : Decoding refers to the conversion of the message by the receiver into meaningful terms so as to make it understandable. This is another important element of communication for the receiver’s response and depends upon his understanding of the content and purpose of the message.
- 6) **Receiver** : The receiver of the message has an equally vital role to play as the communicator. Indeed, communication to be effective must be receiver-oriented. The ability of the receiver for decoding and understanding the message contribute to a positive response from the receiver.
- 7) **Feedback**: The actual response of the receiver to the message communicated to him is known as ‘feedback’. This is an important element of the communication process. It reduces the possibility of a difference between the intention of the communicator and the interpretation of the message by the receiver. Two-way communication requires feedback to the initial message sent and enables the sender to check whether the message received has been properly understood by the receiver.

- 1) Which of the following statements are **True** and which are **False**.
 - i) Communication involves something more than sending a message.
 - ii) The basic purpose of communication is to issue orders and instructions to subordinates.
 - iii) Encoding means writing a message in code language.
 - iv) Communication is always made either verbally or in writing.
 - v) Two-way communication ensures feedback to the initial message sent.
 - vi) What to communicate must be decided first, and when to communicate decided later.

- 2) Fill in the blanks.
 - i) Communication is a process in management.
 - ii) The receiver has to the message to understand its content and purpose.
 - iii) The response of the party to whom a message has been sent is known as
 - iv) The respective parties to a communication must have the ability to and what his counterpart communicates.
 - v) The encoded message may be transmitted through one or more

14.4 CHANNELS OF COMMUNICATION

The direction or path through which the flow of communication takes place is known as the channel of communication. The channels of communication can be divided on the basis of (1) the relationships (2) the direction of the flow and (3) the method used.

14.4.1 Based on Relationships

The direction of the flow is basically governed by the relationships between the parties involved. Thus, communication may be of two broad types: (1) formal (2) informal

- 1) **Formal communication :** The formal channels of communication are based on organisational relationships established formally by the management of the organisation. Orders, instructions and information which flow through these channels are official communication. In other words, the formal channels of communication are used for the transmission of official messages within or outside the organisation. In every organisation, the lines of communication correspond to the chain of command, that is the superior-subordinate relations in the hierarchy. A superior gives orders to the subordinates directly under his authority but cannot do so to anyone who is

more than one level below him in the hierarchy. Similarly, a subordinate cannot report on his performance or seek information from anyone except his immediate superior. He cannot directly communicate with any one who is more than one level higher in the hierarchy. He can do so only through his immediate superior. Formal channels of communications help management in maintaining order and add to the seriousness of purpose of the message transmitted. But, formal communication which is intended to flow through more than one level suffers from delay and chances of distortion.

- 2) **Informal communication :** Communication which takes place on the basis of informal or social relations among people in an organisation is known as informal communication. Such communication does not generally follow the official, formal channels. This type of communication occurs due to the natural desire of human beings to communicate with each other and is the result of social interaction among people. It may take place between persons cutting across the organisational positions occupied by them and among people working in different work units. The origin and flow of informal communication are difficult to trace. Hence, it is also known as 'grapevine'. The messages which flow through informal channels are of varied nature. It may be purely personal or related with organisational matters.

The characteristic feature of informal communication is that it spreads very rapidly among people. But at the same time, it may consist of half-truths and rumours passing between members of the organisation. No one can be made responsible for it, nor is it taken seriously. Moreover, it may lead to leakage of confidential information. Sometimes it causes tension. It is also liable to a great deal of distortion as it passes from one person to another. However, management can take advantage of it by maintaining friendly and cooperative relations with others.

14.4.2 Based on Direction of Flow

Whether the communication is formal or informal in nature, channels of communication may be divided according to the direction of the flow. These are: (1) vertical (2) horizontal (or lateral) and (3) diagonal communication. Let us examine the implication of these types.

- 1) **Vertical Communication :** This type refers to communication that takes place between persons occupying superior and subordinates positions in the organisational hierarchy. Orders and instructions issued by managers to subordinates, and performance reports sent by subordinates to the managers are typical examples of vertical communication. It may be sub-divided into : (a) downward communication and (b) upward communication.
 - a) **Downward Communication :** Communication which flows from higher-level managers to others in lower-level positions is generally known as downward communication. Thus, messages transmitted from the superior to his subordinates, or from a manager to the assistant manager are downward communication. It also includes directives and messages which are issued by top management and are transmitted down the hierarchy through intermediate levels of management to employees at the lower levels. Such communications may consist of

verbal messages conveying orders, policies, procedures, or written matter conveyed through notices, circulars, memorandum, bulletins, handbooks etc.

b) Upward Communication : This type of communication flows from lower level managers and employees to those in higher level positions. Information and reports communicated by subordinate workers to the foreman, by the manager to the general manager, or by the chief executive to the Board of Directors, are examples of upward communication. The upward channels of communication not only enable higher level managers to get valuable information but also opinions and suggestions from lower levels at the time of making decisions on plans and policies. The opportunity of upward communication encourages people to transmit their complaints and grievances to superiors, draw the attention of managers to problems and make proposals for improving the efficiency of work performance in the organisation.

2) Horizontal Communication : Communication that takes place directly between two persons having equal ranks in the managerial hierarchy or between two subordinates under the same manager is called horizontal communication or lateral communication. Thus, horizontal communication consists of interaction between people in the same or different departments. This facilitates coordination of activities which are interdependent. For example, coordination of production and sales activities requires continuous exchange of information between the respective managers of the two departments. The same is true of factory manager and repairs and maintenance manager.

3) Diagonal Communication : This type of communication implies exchange of information between persons who are in positions at different levels of the hierarchy and also in different departments. This type of communication does not take place except under special circumstances. For example, the Cost Accountant placed in the Accounts Department may want reports from the sales representatives for the purpose of distribution cost analysis. These reports may be sent directly to the Cost Accountant instead of being sent to the sales manager. This is an example. However, formal communications are normally expected to be routed through the manager who is in charge of the department from which the communication is made.

14.4.3 Based on Method Used

On the basis of the methods used for the purpose, communication may be : (i) verbal (ii) written (iii) gesture.

1) Verbal Communication : When the messages are transmitted orally it is called verbal communication. It is more effective method of conveying ideas, feelings, suggestions, information etc. It gives communication a personal touch. It is especially useful when the manager wants to know the reaction of the other person quickly. It is economical both in terms of time and money. There can be nothing better and more economical than passing a verbal order. Verbal communication includes: face-to-face contact, interviews, joint consultation. However, verbal communication has its

drawbacks. It is not useful when the number of persons to be communicated is more and if the communicator and receiver are at places far away from one another. Moreover, when the subject matter of communication has to be kept as a record, verbal communication will not serve the purpose.

- 2) **Written Communication :** In a formal organisation, written communication is the most important media for conveying ideas, information etc. In every such organisation one comes across a variety of orders, instructions, reports and bulletins, serving as the basis of communication. Written communication is permanent, tangible and verifiable. The record is maintained and both the sender and the receiver have access to the records for further clarification. Written communication is advantageous where the subject matter to be conveyed is lengthy or where it is intended to be conveyed to a large number of persons. One fundamental limitation of written communication is that it is usually time-consuming. Written communications tend to be very formal and lack personal touch. It is difficult to maintain complete secrecy about a written communication. Some day or other it is bound to reach those whom it was intended to be kept as a secret.
- 3) **Gestural Communication :** Communication through gestures is often used as a means to make verbal or written communication more effective. One has only to attend meeting addressed by a trade union leader to see how he uses different gestures by hands, movement of eyes to make his point. If sometimes the superior pats his subordinate on his back, it will be considered as appreciation for his work. This will in turn increase the efficiency of the subordinate.

All types of channels of communication described above have been summarised in Figure 14.2

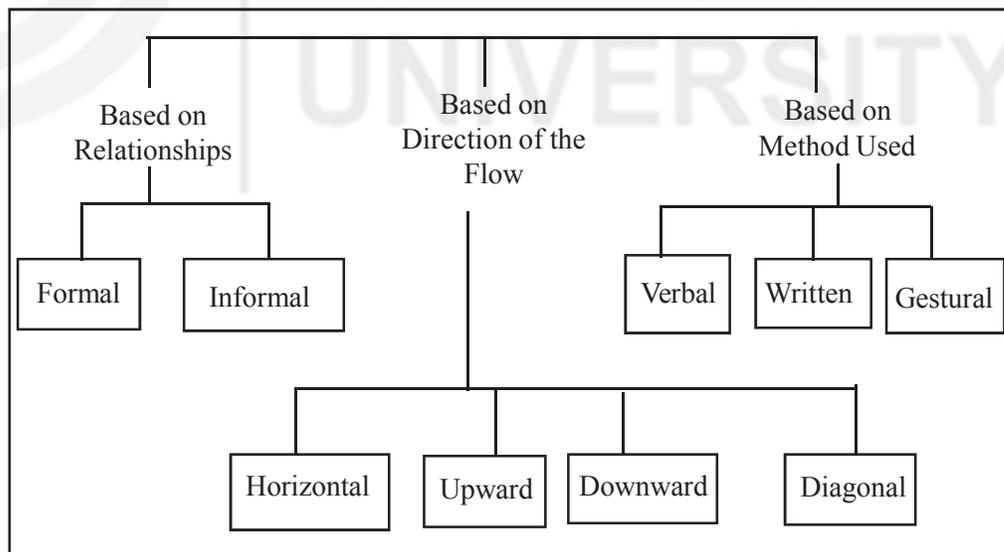


Fig. 14.2: Types of Channels of Communication

14.5 IMPORTANCE OF COMMUNICATION

The significance of effective communication in a modern organisation is recognised all over the world. It is of vital importance for efficient and smooth functioning of an enterprise. The importance is evidenced by the fact that every

manager on an average spends 80-90 percent of his time in the communication process.

Let us analyse the basis of its importance.

- 1) Adequate and timely communication is necessary for the managerial functions of planning, organising, directing and controlling to be carried out successfully.

It is on the basis of information communicated to them that plans can be developed by top management. On the other hand, plans, policies and procedures must be communicated to operating managers and employees without which implementation of plans can hardly be possible. Similarly to establish organisational relations, people must be informed about their position, tasks, and authority in the organisation. The directing function also requires proper communication between managers and their subordinates and between members of work-groups. Only then it is possible to achieve group goals as well as organisation goals. Again, timely feedback of actual performance against planned targets forms the basis of the control function of management.

- 2) Effective communication contributes a great deal to higher efficiency in job performance. It ensures willing cooperation of others due to the close understanding of ideas and instructions established through communication. Indeed a direct relationship exists between the effectiveness of communication and efficiency in an organisation.
- 3) The quality of decisions made in an organisation depends largely on the amount and quality of information available to the decision maker. However, the quality of information depends on the effectiveness of the communication system. Thus, a good communication system contributes positively to the quality of decisions.
- 4) Communication is the means by which delegation and decentralisation of authority is accomplished in an organisation. Operating managers must have a clear understanding of their respective limits of authority and accountability and the jobs assigned to them. This is possible only through the existence and use of communication channels.
- 5) Coordination of interdependent activities requires communication to flow horizontally as well as through all levels of authority.
- 6) The effectiveness of communication also helps in moulding attitudes and building up employee morale. It plays an important role in removing misunderstanding and developing harmonious labour-management relations.

Check Your Progress B

- 1) Fill in the blanks.
 - i) Formal channels of communication are based on relationships established by management.
 - ii) Downward communication flows frommanagers to others occupyingpositions.

- iii) and communication is essential for managerial functions to be carried out successfully.
 - iv) Effective communication leads to in job performance.
 - v) Horizontal communication facilitates of interdependent activities.
- 2) Which of the following statements are **True** and which are **False**.
- i) Diagonal communication involves exchange of information between people of different ranks and working in different departments.
 - ii) Upward communication should be allowed only when there is a crisis or emergency.
 - iii) Downward communication takes place only at the lowest level of the hierarchy of management.
 - iv) The channels of formal communication correspond to the chain of command in the organisation.
 - v) No one can be held responsible for informal communication.

14.6 BARRIERS TO EFFECTIVE COMMUNICATION

Effective communication implies that the message transmitted by the sender is understood, accepted and acted upon by the receiver for the intended purpose. In actual practice, one or more factors often stand in the way of effective communication. These are obstacles or barriers, which create confusion, misunderstanding and may even lead to breakdown of the communication process. The following types of barriers are commonly found to create problems in organisations.

- 1) **Multiplicity of Organisational Layers :** The structure of organisation often causes messages to be distorted, stopped or absorbed particularly when there are many layers or levels in the hierarchy. In upward communication, the message tends to be distorted as it passes through intermediate levels. Information may be withheld at a particular level or passed on with changes. This is done if it is likely to have the effect of carrying an unfavourable impression to higher levels about the performance of the manager at that level. Downward flow of communication may also be distorted at intermediate levels to suit the convenience or serve the interest of managers concerned. This is known as ‘filtering’ of the message.
- 2) **Language Barrier :** The language used for communicating a message may create problems due to the difficulty of interpreting words or due to lack of clarity of expression. People with different educational and cultural background and intellectual ability may find it hard to understand the message due to jargon used by the sender. In such cases, the same word may be attributed different meanings by the sender and receiver of the message. This is known as the problem of semantics.
- 3) **Status Barrier :** Status relationships in an organisation may also be a serious obstacle to effective communication. People placed in superior and

subordinate positions have difference in status on account of their respective ranks in the hierarchy. It is due to the status difference that subordinates often suppress or withhold information which may not be liked by their superiors, or pass on distorted information to please their superiors. No subordinate likes to reveal his mistakes to his superior. Similarly, the status consciousness of the Superior prevents him from fully communicating information which may adversely reflect of his ability or judgement.

- 4) **Physical Distance as a Barrier :** In large organisations, the physical distance between the sender and the receiver of any message may become an obstacle to effective communication. This is because it is difficult to evaluate whether the receiver has understood, accepted and acted on the message sent to him if his workplace is far away from that of the sender.
- 5) **Emotional and Psychological Barriers :** When people have strong attitudes and feelings, they are emotionally affected by messages received which do not conform to their attitudes. Hence, they tend to either reject or refuse to accept such messages. The sender may also distort a message if he feels strongly about it or is under emotional stress at the time. Psychological barriers often arise due to lack of mutual trust and confidence. Similarly when subordinates have a favourable image of the superior they are psychologically more inclined to accept and respond positively to his messages. It does not happen if they have an unfavourable image. The image is built on the basis of experience and interaction between the superior and the subordinate. Any communication which purports to bring about a change in the existing state of affairs also creates psychological barriers since people generally do not like a change particularly when its effects are uncertain.

14.7 PRINCIPLES OF COMMUNICATION

There are no fixed principles for the guidance of communication by the managers of an organisation. The guidelines which are useful for making communications effective may be regarded as principles of communication. These are listed below:

- 1) The problem or idea to be communicated needs to be analysed systematically so as to be clear about it.
- 2) The purpose of each communication, that is, what is really to be accomplished through the communication should determine the language, means and media of communication.
- 3) The meaning and intention of communication is conveyed not by words alone. The timing, physical setting, and the organisational climate are important determinants of the success of communication.
- 4) Consultation with others may be appropriately made in planning communication so as to gain additional insight and objectivity to the message.
- 5) The basic content and overtones of the message as well as receptiveness to the viewpoint of the receiver have considerable impact on the effectiveness of communication.

- 6) Whenever possible, messages should convey something of value to the receiver in the light of his interest and needs.
- 7) Communications have greater chances of being effective when followed up by encouraging the receiver to express his reactions, or by review of performance and ensuring a feedback.
- 8) Although communications are primarily necessary to meet immediate situations, they must also be consistent with long-term interest and goals.
- 9) The most persuasive communication is not what is conveyed through words but the action of the communicator following the communication.
- 10) The sender of a message should ensure that the message is understood. But he must try to understand the reaction and attitude of the receiver by listening to his viewpoint.

14.8 HOW TO MAKE COMMUNICATION EFFECTIVE?

The principles or guidelines to making communications effective are of a general nature, operationally speaking, a number of more specific suggestions can be made to ensure the effectiveness of communications.

- 1) **Regulating the flow of communications** : Planning communication should involve determining the priority of messages to be communicated so that managers may concentrate on more important messages of high priority. Otherwise, there is a possibility of managers being overloaded with the task of communication. Similarly, incoming communication should be edited and condensed, if possible, to reduce the chances of overlooking or ignoring important messages received.
- 2) **Feedback** : Along with each communication there is need for feedback, that is, communication of the response or reaction to the initial message. Feedback may include the receiver's acceptance and understanding of the message, his action or behavioural response, and the result achieved. Two-way communication is thus considered to be more helpful in establishing mutual understanding than one-way communication.
- 3) **Language of the message** : Use of appropriate language is essential for effective communication. While preparing the message, its sender must keep in view the climate, as well as the ability of receiver to interpret the message accurately. Abstract ideas should be explained and vague expressions avoided. He must keep in view tire semantic problem, that is, the possibility of particular words having more than one meanings. Experimental studies have shown that oral communication accompanied by its written version is more effective in bringing about the desired response.
- 4) **Importance of listening carefully** : Listening to verbal messages carefully implies an active process. Half-hearted attention to the communication is often the cause of misunderstanding and confusion. A listener has to be patient, mentally composed, and avoid distractions while receiving the message. He should be in a position to concentrate on the message and seek clarification, if necessary. On the other hand, the sender of the message

must also be prepared to listen to what the receiver has to say, and respond to his questions, if any.

- 5) **Restraint over emotion** : Strong feelings and emotional stress on the part of either the sender or receiver of messages are serious handicaps in the communication process. To avoid any negative impact of emotion on the content of the message, the sender may defer the communication for sometime or consult to exercise restraint over his psychological feelings to avoid misinterpreting the message and to be able to respond to it with a composed mind.
- 6) **Non-verbal signals of compliance** : Verbal messages are generally accepted orally by the receiver. But whether action will follow the acceptance of the message is not certain. It is, therefore, suggested that in the case of verbal communication the sender should observe the action of the receiver to ascertain whether the actions are in conformity with the intent and understanding of the message.
- 7) **Mutual trust and faith** : No amount of seriousness of the parties involved can make the process of communication effective unless there is mutual trust and faith between them. The best means of developing these among people in an organisation are honesty of purpose and openness of the managers. However, it takes time to build such a climate. Both managers and subordinates have to cooperate for the purpose so that individuals feel free to make suggestions and correct each other's views without misunderstanding.

14.9 DEFINITION OF COORDINATION

You must have seen that in an orchestra, its conductor directs activities of the group in such a manner that it produces harmony and melody in music. Similarly, in an enterprise a manager (conductor) must also direct the activities of the group in such a manner that it brings harmonious and united action to achieve the common goal.

In every organisation, division and sub-division of activities become necessary to derive the benefits of specialisation and smooth operation. Individuals and members of groups are expected to contribute maximum efforts in the performance of their tasks. But, to ensure that their efforts are non conflict with each other, individual and group activities are to be harmonised so that there is unity of action. The process by which a manager brings unity of action in an organisation is coordination. Thus, managers at all levels are required to coordinate the efforts of their subordinates.

Coordination refers to the orderly arrangement of individual and group efforts to ensure unity of action in the realisation of common objectives. It involves synchronisation of different actions or efforts of the various units of an organisation to provide the requisite amount, quality, timing and sequence of efforts so that the planned objectives may be achieved with minimum of conflict.

According to Brech, "Coordination is balancing and keeping together the team by ensuring suitable allocation of tasks to the various members and seeing that the tasks are performed with the harmony among the members themselves."

According to McFarland, “Coordination is the process whereby an executive develops an orderly pattern of group efforts among his subordinates and secures unity of action in the pursuit of common purpose.”

The Haimann defines Coordination as “the orderly synchronising of efforts of the subordinates to provide the proper amount, timing and quality of execution so that their united efforts lead to the stated objectives, namely the common purpose of the enterprise.” From the above definitions we can infer that coordination is a conscious process of assembling and synchronising various kinds of activities with a view to achieve specific objectives.

The following five points emerge from the above discussion :

- 1) **Harmonisation of group efforts** : Most of the management thinkers have emphasised on harmonisation of group efforts to point out that organisation is not merely a collection of men, money, material, machines, methods, but these resources need to be properly organised. Besides, subordinates efforts must also be synchronised to ensure proper timing and quality of execution so that the organisational objectives are realised.
- 2) **Unity of action** : Each individual in the organisation performs certain unique and different types of tasks. He is not only related with others in the organisation (through structure) but his function also affects other’s functions. A manager tries to synchronise individual efforts to attain unity of efforts in the pursuit of common objectives. Coordination, therefore, applies to group efforts.
- 3) **Pursuit of common purpose** : Each employee has goals, perceptions, values, beliefs, attitudes etc, and makes every effort to achieve his own goals. When individuals and groups work for achieving their objectives, they also contribute something for the achievement of organisational goals. The conflict, if any, between personal and organisational goals gets resolved through coordination. Managers have to persuade individuals and groups to work for a common purpose while achieving their own objectives as well.
- 4) **Continuous process** : Coordination is not a one-shot deal but a continuous process. It starts with the very first action in the process of establishment of business and runs through until its closure. It is a continuous process for achieving unity of purpose in the organisation.
- 5) **Responsibility** : It should be noted here that coordination is the most important responsibility of every manager in the organisation as he tries to synchronise the efforts of his subordinates with others. When this is not felt or realised by managers, there is a need to appoint special coordinators.

14.10 OBJECTIVES OF COORDINATION

You have learnt the meaning and need for coordination. Let us now discuss the objectives of coordination which have been listed as below:

- 1) **Reconciliation of goals** : Conflicts in organisation arise because of differences between organisational goals and individual goals and the

individualistic perception of goals and its realisation. Coordination is the only means by which such conflicts can be avoided.

- 2) **Total accomplishment of goals :** Although individuals are firmly committed for the achievement of organisation goals. Individual contribution to work bring about total accomplishment which is in excess of the aggregate of the individual contribution. This is realised through the establishment of a reporting system and clear cut spelling out of business objectives.
- 3) **Harmonious relationships :** Another objective of coordination is to maintain harmonious relationship between individual and the organisation. Individuals derive satisfaction when their work performance brings about realisation of the desired goal. This keeps their morale high.

As the organisation is structured with clear lines of authority and responsibility, conflict between line and staff personnel is minimised and better relationship is established.

- 4) **Economy and efficiency:** Coordination aims at bring about economy and efficiency of operations through synchronisation of activities and individual efforts whereby wastage of resources is minimised. There is saving of time and expense. Reduced rejection and minimum delays in execution lead to efficiency in the operations of the organisation.

Check Your Progress C

- 1) Which of the following statements are **True** and which are **False**.
 - i) Communication suffers from semantic barrier when the message is conveyed in vague words.
 - ii) As a principle, communication must be consistent with long-term interests and goals while meeting short-term needs.
 - iii) Action should be taken on messages on a 'first come first serve' basis.
 - iv) A subordinate should not be permitted to ask questions on the communication received from his superior.
 - v) Verbal acceptance of a communication is not enough, it must be acted upon.
- 2) Fill in the blanks.
 - i) Mutual faith and trust can be developed if there is and to the viewpoints of each other.
 - ii) Messages should convey something of value to the receiver in the light of his and
 - iii) Subordinates do not feel free to express their views on policy matters to their superiors due to difference in
 - iv) The most persuasive communication is that which is conveyed through of the communicator following the communication.
 - v) is as important in communication as speaking.

14.11 LET US SUM UP

Communication means transmission of messages or exchange of ideas, facts, opinion or feelings by two or more persons. Communication does not only involve sending a message but also its acceptance by the receiver. It is essentially a two-way process. It is not complete unless the receiver has understood the message and his reaction is known to the self of the message.

Communication is a cooperative process involving two parties, each having the ability to convey and listen to what his counterpart communicates. The response to a communication is as essential as the initial communication. The message may be communicated verbally, in writing, through gestures, signs or symbols. The purpose of communication is to pass information and understanding to bring about commonness of purpose, interest and efforts. It is a continuous process in management. The process of communication includes the following steps; (1) clear perception of the idea or problem by the sender, (2) participation of others involved, (3) transmission of the message, (4) motivation of the receiver, and (5) evaluation of the effectiveness of communication.

The basic elements of the communication process are: (a) The communicator, (b) Encoding, (c) Message, (d) Medium, (e) Decoding, (f) Receiver, and (g) Feedback.

Communication channels may be of two broad types: Formal and Informal. Formal channels of communication are based on organisational relationships formally established by the management. These are used for the transmission of official messages within and outside the organisation. Formal communication corresponds to the chain of command.

Communication which takes place on the basis of informal or social relations among people in an organisation is known as informal communication. Generally, such communications do not follow the formal channels. It is also known as grapevine. Channels of communication may be divided into three categories according to the direction of the flow viz., vertical, horizontal or lateral, and diagonal communication.

Communication that takes place between persons occupying superior and subordinate positions in the organisational hierarchy is known as vertical communication. The direction of flow of vertical communication may be downward or upward. Downward communication flows from higher level managers to others in lower level positions. Upward communication flows from subordinates to superiors in the hierarchy of management. Horizontal or lateral communication refers to communications that take place directly between persons having equal ranks, or between subordinates under the same manager. Diagonal communication implies exchange of information between persons who are placed at different levels and in different departments.

Adequate and timely communication is necessary for managers to be able to carry out their functions successfully. Effective communication contributes to higher efficiency in job performance and ensures willing cooperation of others. The quality of decisions made by managers depends largely on the amount and quality of information available to them. Further, communication provides the

means by which delegation and decentralisation is accomplished. Coordination of interdependent activities requires continuous flow of information and exchange of views among managers. The effectiveness of communication also helps in moulding the attitudes and building up employee morale. Barriers which stand in the way of effective communication are: (1) multiplicity of organisational layers; (2) language and semantic problems; (3) status difference; (4) physical distance; (5) emotional and psychological factors.

The guidelines or principles which may be followed for effective communication include: (1) systematic analysis of the idea or problem; (2) the purpose determining language, means and media of communication; (3) the importance of timing, physical setting, and the organisational climate as determinants of the success in communication; (4) planning communication in consultation with others; (5) consideration of the impact of the basic content and overtones of the message and receptiveness to the receiver's viewpoints; (6) necessity of conveying something of value to the receiver; (7) need for follow-up by encouraging the receiver to give his reaction, or by review of performance and ensuring feedback; (8) consistency of communication with the long-term interest and goals; (9) importance of action following the initial communication; (10) understanding the reaction and attitude of the receiver.

To make communication effective, the following factors should be given due attention; (1) regulating the flow of communication; (2) feedback; (3) use of appropriate language; (4) listening carefully; (5) restraint over emotion; (6) looking for non-verbal cues of compliance; and (7) mutual trust and faith.

Coordination refers to the orderly arrangement of individual and group efforts to ensure unity of action in the realisation of common objectives. The objectives of coordination are: reconciliation of goals, total accomplishment of goals, harmonious relationships and economy and efficiency.

14.12 KEY WORDS

- Communication Barriers** : The problems which create confusion, misunderstanding and lead to breakdown of communication process.
- Communication Channel** : The direction or path through which the flow of communication takes place.
- Coordination** : It refers to orderly arrangement of individual and group efforts to ensure unity of action in the realisation of common objectives.
- Decoding** : Conversion of a message by the receiver into meaningful term.
- Diagonal Communication** : Exchange of information between persons holding different ranks and places in different departments.
- Downward Communication** : The flow of communication is from the higher to the lower levels of management.

Encoding	: Expressing the message to be communicated in a suitable language.
Feedback	: The reaction or response of the receiver to the message.
Formal Communication	: It refers to communication among people strictly as per the channels laid down in the organisation structure.
Grapevine	: Channels or flow of informal communication.
Horizontal or Lateral Communication	: Communication between persons holding similar ranks in the same or different departments.
Informal Communication	: It flows through unofficial channels not specified in the organisation structure.
Transmission	: The act of saying, sending or issuing the message.
Upward Communication	: This type of communication flows from lower level positions to higher level positions.
Vertical Communication	: Flow of communication between persons having superior- subordinate relations.

14.13 ANSWERS TO CHECK YOUR PROGRESS

- A) 1. (i) Right, (ii) Wrong, (iii) Wrong, (iv) Wrong, (v) Right, (vi) Wrong.
2. (i) Continuous, (ii) decode, (iii) Feedback, (iv) Convey, listen to, (v) media
- B) 1. (i) Organisational, (ii) Higher-level, lower-level, (iii) Adequate, timely (iv) Efficiency, (v) Coordination
2. (i) Right, (ii) Wrong, (iii) Wrong, (iv) Right, (v) Right.
- C) 1. (i) Wrong, (ii) Right, (iii) Wrong, (iv) Wrong, (v) Right.
2. (i) Honesty of purpose, openness, (ii) Interest, need, (iii) Status, (iv) Action, (v) Listening.

14.14 TERMINAL QUESTIONS

- 1) Define 'Communication'. Why is communication of vital importance to management?
- 2) State and explain the basic elements of the communication process.
- 3) What are the steps involved in the process of communication? Discuss.
- 4) Distinguish between formal and informal communication. Why is informal communication called 'grapevine'?

- 5) Explain the nature and significance of vertical, horizontal and diagonal communication channels.
- 6) What are the most common barriers to effective communication? How can they be overcome?
- 7) Discuss the major principles of communication. How can communication be made effective?
- 8) Write Notes on
 - a) Status barrier to communication
 - b) Communication channels
 - c) Emotional and psychological barriers to communication
 - d) Informal communication
- 9) What do you mean by coordination? Describe the objectives of coordination.

Note : These questions will help you to understand the unit better. Try to write answers for them. But, do not submit your answers to University. These are for your practice only.



UNIT 15 MOTIVATION

Structure

- 15.0 Objectives
- 15.1 Introduction
- 15.2 Concept of Motivation
- 15.3 Nature of Motivation
- 15.4 Process of Motivation
- 15.5 Role of Motivation
- 15.6 Theories of Motivation
 - 15.6.1 McGregor's Participation Theory
 - 15.6.2 Maslow's Need Priority Theory
 - 15.6.3 Herzberg's Motivation Hygiene Theory
 - 15.6.4 Distinction between Herzberg's and Maslow's Theories
 - 15.6.5 Relationship between Maslow's and Herzberg's Theories
 - 15.6.6 Job Enrichment
- 15.7 Types of Motivation
 - 15.7.1 Financial Motivation/Incentives
 - 15.7.2 Non-Financial Motivation/Incentives
- 15.8 Let Us Sum Up
- 15.9 Key Words
- 15.10 Answers to Check Your Progress
- 15.11 Terminal Questions

15.0 OBJECTIVES

After studying this unit, you should be able to:

- explain the concept of motivation and the process of motivation
- describe the significance of motivation in present day organisations
- analyse some of the theories of motivation
- compare Maslow's Need Hierarchy Theory with Herzberg's Motivation Hygiene Theory
- explain the importance of job enrichment and its limitations in work motivation
- classify different types of motivations — positive and negative, extrinsic and intrinsic and financial and non-financial
- explain the relative importance of financial and non-financial incentives.

15.1 INTRODUCTION

In any organisation, all employees do not perform their work with equal efficiency. Some are found to be more efficient than others. The difference in their performance can be attributed either to differences in their abilities or in

their urge or willingness to perform as best as possible. Given the ability and skill, it is the motive of employees which determines whether they will be more or less efficient. Employee motivation i.e. bringing about an inner urge or desire in employees to work to the best of their ability is an important function of management. In this Unit, we shall deal with the concept and process of motivation, its importance, theories of motivation and the types of incentives which may be provided to motivate people.

15.2 CONCEPT OF MOTIVATION

Motivation may be defined as the complex of forces inspiring a person at work to intensify his willingness to use his maximum capabilities for the achievement of certain objectives. Motivation is something that motivates a person into action and induces him to continue in the course of action enthusiastically. It determines the behaviour of a person at work. According to Dalton E. McFarland

“Motivation refers to the way in which urges, drives, desires, aspirations, striving, or needs, direct control or explain the behaviour of human being.”

The term ‘motivation’ is derived from the word ‘motive’. Motive may be defined as needs, wants, drives or impulses within the individual. Motives are expressions of a person’s needs and hence they are personal and internal. In this context, the term ‘need’ should not be associated with urgency or any pressing desire for something. It simply means something within an individual that prompts him to action. Motives or needs are ‘why aspects’ of behaviour. They start and maintain activity and determine the general direction of the person. Motives give direction to human behaviour because they are directed towards certain ‘goals’ which may be conscious or sub-conscious.

Motives or needs of a person are the starting point in the motivation process. Motives are directed towards the achievement of certain goals which in turn determine the behaviour of individuals. This behaviour ultimately leads to goal directed activities such as preparing food and a goal activity such as eating food. In other words, unsatisfied needs result in tension within an individual and engage him in search for the way to relieve this tension. He will develop certain goals for himself and try to achieve them. If he is successful in his attempt, certain other needs will emerge which will lead to setting a new goal. But if he is unsuccessful he will engage himself in either constructive or defensive behaviour. This process keeps on working within an individual.

15.3 NATURE OF MOTIVATION

Motivation helps in inspiring and encouraging the people to work willingly.

- 1) **Motives are the energising forces within us** : These forces are invisible and it is very difficult to measure them, because all of us are different and the motives energising us at a point differ from time to time. All that is possible is to observe and measure the behaviour we choose and from this behaviour make a kind of backward causation statement to the possible motive. Observing someone’s behaviour may indicate that a certain need is present in this person, motivating him onward.

- 2) **One motive may result in many different behaviours :** The desire for prestige may lead a person to run for political office, give money away, get additional educational training, steal, join, groups or may change his outward appearance. A person wanting acceptance will behave differently in a car pool, office secretarial pool, or swimming pool.
- 3) **The same behaviour may result from many different motives :** Behaviour may be caused by a number of different motives. For instance the motives underlying purchase of a car may be: to appear younger and attractive; to appear respectable; to gain acceptance from others; to maintain the acceptance already gained through a similar income level; to satisfy economic values and to reinforce company created status differentials. Thus it would be wrong for the manager of an organisation to lump all behaviour as coming from the same motive people join unions, get married, attend class, laugh at professor's jokes for many different reasons (motives). Thus a motive cannot be identified from any specific behaviour.
- 4) **Behaviour can be used as an estimate of an individual's motives :** It is possible to get repeated observations of one individual's behaviour and then make an estimate of the cause of that behaviour. For example, there is truth in the statement that some people always seem to feel insecure and thus behave continuously in a manner reflecting the insecurity of feeling. There are also people who behave in away that radiates confidence. They are confident in many different social settings so that one finds a constant and repeated behaviour from which people probably estimate the motive of the person. Obviously, if a person is at a state of near starvation, most of his behaviour will be related to the need for food. Although it is dangerous to categorise people, it is also wrong to believe that individual behaviour, when looked at in a time perspective, cannot be used as an estimate for motivation.
- 5) **Motives may operate in harmony or in conflict :** Behaviour is frequently the result of the interplay of several motives. These motives may push a person in one direction or in a number of directions. For example, a girl may want to get high grades in school while also wanting to help her mother in the kitchen. An athlete may desire an outstanding performance and may also be sensitive to being shunned by his fellow team-mates if he performs too well and receives too much of credit. Behaviour, therefore, is the result of many forces differing in direction and intent.
- 6) **Motives come and go :** It is very rare that a motive has the same energy potential over a long period of time. A young man who prefers to travel during vacation may give up the idea during the football season because the joy of travelling takes second place to the need to play football. The girl who is overly concerned about her hair and clothes during adolescence may turn her attention to other things once she grows up. Because humans are constantly growing, the motive at one point in time will not be as intense as the motive at another point in time.
- 7) **Motives interact with the environment :** The situation at a particular point in time may trigger or suppress the action of a motive. You probably have experienced situations where you did not realize the intensity of your hunger

needs until your smelling senses picked up the odour of palatable food. Similarly, many of these sociological needs become stimulated when you are in a situation filled with the sociological factors. Thus needs that may be latent can be quickly stimulated by the environmental situation. We have now identified a number of generalisations that could be useful in understanding the concept of motivation. The topic of human motivation is very complex and is related to other fundamental ideas such as drives and needs so that it is difficult to put our thinking into a clear system of relationships.

15.4 PROCESS OF MOTIVATION

The basic elements of the process of motivation are (i) behaviour (ii) motives (iii) goals and (iv) some form of feedback as shown in figure 15.1

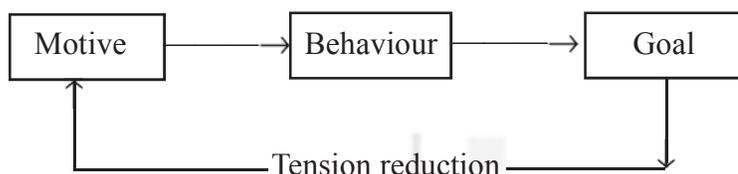


Fig. 15.1: Process of Motivation

Behaviour : All behaviour is a series of activities. Behaviour is generally motivated by a desire to achieve a goal. At any moment individuals may indulge in multifarious activities like walking, talking, eating, and so on. They switch over from one activity to another activity swiftly. In order to predict and control behaviour, managers must understand the motives of people.

Motives (Needs/drives/wants) : Motives prompt people to action. They are the primary energisers of behaviour. They are the ‘ways’ of behaviour and mainsprings of action. They are largely subjective and represent the mental feelings of human beings. They are cognitive variables. They cause behaviour in many ways. They arise continuously and determine the general direction of an individual’s behaviour.

Goals : Motives are directed toward goals. Motives generally create a state of disequilibrium, physiological or psychological imbalance, within the individuals. Attaining a goal will tend to restore physiological or psychological balance. Goals are the ends which provide satisfaction of human wants. They are outside an individual; they are hoped for incentives toward which needs are directed. One person may satisfy his need for power by kicking subordinates and another by becoming the president of a company. Thus, a need can be satisfied by several alternate goals. The particular goals chosen by an individual depends on four factors; (i) the cultural norms and values that are instilled as one matures, (ii) one’s inherited and biological capabilities, (iii) personal experience and learning influences and (iv) mobility in the physical and social environment.

The dilemma posed by a large number of needs can often be resolved by integrating wants where one activity may satisfy several needs. Researchers

have found that many overweight people continue to eat excessively because they have fused the satisfaction of a number wants (Love, Security, Comfort) into the act of eating. Eating, in a way, releases the tension built by the numerous unsatisfied needs.

The process of motivation discussed above implies that individuals possess a host of needs, desires and expectations. All of these needs compete for their behaviour and ultimately the need with the maximum strength at a particular moment leads to activity. When a need is satisfied, it is no longer a motivator of behaviour.

15.5 ROLE OF MOTIVATION

The following factors contribute to the significance of the role of motivation :

- 1) Managers and organisational researchers cannot avoid a concern with the behaviour requirements of an organisation. Every organisation needs people (in addition to physical and financial resources) in order to function.
- 2) Motivation as a concept is pervasive and a highly complex activity that affects and is affected by a host of factors in the organisational milieu.
- 3) Organisational effectiveness becomes to some degree a question of management's ability to motivate its employees, to direct at least a reasonable effort toward the goals of the organisation.
- 4) As technology increases in complexity, machines tend to become necessary, but insufficient vehicles of effective and efficient operations. In other words, it becomes necessary for an organisation to ensure that it has employees who are both capable of using and willing to use the advanced technology to achieve organisational goals.
- 5) Many organisations are now beginning to pay increasing attention to develop their employees as future resources (for talent bank) upon which they can draw as they grow and develop.

Check Your Progress A

- 1) Which of the following statements are **True** and which are **False**.
 - i) Motives and needs are the 'whys aspects' of behaviour.
 - ii) Motives always operate in harmony and drive individuals in a single direction.
 - iii) To control the behaviour of subordinates, managers must understand their motives.
 - iv) Environment has nothing to do with human motive.
 - v) Motives do not change in intensity over time.
- 2) Fill in the blanks.
 - i) Motives are expressions of a person's and hence they are personal and
 - ii) can be used as an estimate of an individual's motives.

- iii) needs may be quickly stimulated by the environment.
- iv) Motives are directed towards
- v) Organisational effectiveness is to some degree a question of the management's ability to the employees.

15.6 THEORIES OF MOTIVATION

Theories of motivation generally aim at analysing the process of motivation and indicating how to motivate people. We shall discuss here three well known theories of motivation. These are McGregor's participation theory; Mashlow's need priority theory and Herzberg's two factors theory.

15.6.1 McGregor's Participation Theory

Douglas McGregor formulated two sets of assumptions about human beings based on the participation of workers. The first set of assumptions are contained in Theory X and the second set of assumptions are contained in Theory Y'. In the Theory X, McGregor proceeds with the assumption that the average human being has inherent dislike for work and will avoid it if he can. The managers of such employees think that "most people must be coerced, contributed, directed, threatened with punishment to get them put forth adequate efforts towards the achievement of organisational objectives." Theory X presumes that people by nature :

- 1) Lack integrity.
- 2) Are fundamentally lazy and desire to work as little as possible.
- 3) Avoid responsibility.
- 4) Are not interested in achievement.
- 5) Are incapable of directing their own behaviour.
- 6) Are indifferent to organisational needs.
- 7) Prefer to be directed by others.
- 8) Avoid making decision whenever possible.
- 9) Are not very bright.

McGregor described Theory X as the traditional theory of how are the workers and what management must do to manage them. Workers have to be persuaded and pushed into performance. Workers may be made to work only through autocratic leadership. After describing Theory X, McGregor questioned if this view of human behaviour is correct. He propounded theory Y which, he felt better represents the human behaviour. Under theory Y, it is assumed that people by nature:

- 1) Have integrity.
- 2) Work hard towards objectives to which they are committed.
- 3) Assume responsibility within their commitments.
- 4) Desire to achieve.

- 5) Are capable of directing their own behaviour.
- 6) Want their organisation to succeed.
- 7) Are not passive and submissive.
- 8) Will make decisions within their commitments.

In developing theory Y, McGregor made the following assumptions:

- 1) Engaging in physical and mental efforts — as natural as play or rest. The average human being does not inherently dislike work.
- 2) External control and the threat of punishment are not the only mean of directing efforts 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 follows the rewards associated with their achievement. The most significant of such rewards namely satisfaction of ego and self-actualisation needs, can be the direct result of efforts toward 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 and 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 like the intellectual potentialities of the average human being are only partially utilised.

The assumptions of McGregor's theory Y suggest a new approach to management. It lays greater emphasis on cooperation between management and workers. The managers following this theory aim at getting maximum output with minimum degree of control. Generally, no conflict is visible between the organisational goals and individual goals. Thus, the efforts of employees which are in their best interest are also in the interest of the organisation. Theory Y has proved to be useful in such management practices as job enrichment, decentralisation and participative management. However these techniques are applicable in organisations where self-motivated, self-controlled mature and responsible people work. According to McGregor, researches in the behavioural sciences have shown that the assumptions of theory Y are more valid than the practices of theory X.

Appraisal

McGregor's contribution should be analysed in the proper perspective. All that he postulated and sought to dramatise through his theory X and theory Y is to outline the extremes to draw the fencing within which the organisational or enterprise man is seen to behave. No enterprise man would belong either to theory X or theory Y. He shares the traits of both, with emphasis shifting from one set of properties to the other with changing moods and impulses (needs and motives) and with the varying environment.

The chief merit of McGregor’s formulation is that it helped to crystallise and set the right perspective to the findings of Elton Mayo, which had then puzzled management and productivity experts and set in motion a wave of research into the behaviour of the enterprise man. It (alongwith Hawthorne Studies) can be said to have been the starting point and mainspring that evoked wide and lasting interest in the area of motivation, leadership and techniques of manipulating behaviour of the human element of the enterprise.

One might get the impression that theory X is bad and theory Y is good. This is not true because the assumptions under these theories are attitudes or predispositions of managers towards people. They are not behaviour patterns. Thus, although the ‘best’ assumptions for a manager to have may be theory Y, it may not be advisable to behave consistently with these assumptions about human nature. He may find it necessary to behave in a very directive manner (as if he had theory X assumptions) with some people in the short-run to help to be matured and self-motivated as per Y theory.

15.6.2 Maslow’s Need Priority Theory

Maslow’s theory is based on the needs of people. Maslow was of the view that the process of motivation begins with behaviour which at least in part, is directed towards the satisfaction of needs. He proposed that human needs can be arranged in a particular order from the lower to the higher as shown in figure 14.2.

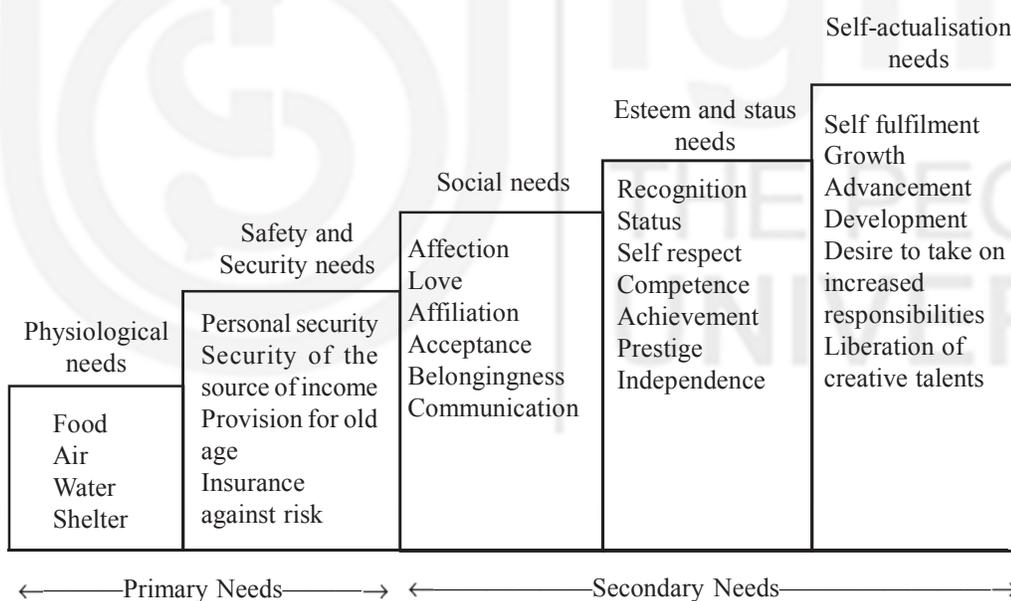


Fig. 14.2 : Maslow’s Need Hierarchy

- 1) **Physiological needs** : The needs that are taken as the starting point of motivation theory are the physiological needs. These needs relate to the survival and maintenance of human life. These needs include such things as food, clothing, shelter, air, water and other necessities of life. These needs must be met at least partly before higher level needs emerge. They exert tremendous influence on behaviour. They are the most powerful of motivating stimuli. Therefore, we must satisfy most of them for survival.
- 2) **Safety and security needs** : After satisfying the physiological needs, people want the assurance of maintaining a given economic level. These needs include: job security, personal security, security of the income, provision for old age, insurance against risks, etc.

- 3) **Social needs** : Man is a social being. He is, therefore, interested in conversation, social interaction, exchange of feelings, companionship, recognition, belongingness, etc. Socialising is one of those reasons why many individuals (especially older people) go to work, and why people generally work better in small groups where they can develop affiliations that are important to them.
- 4) **Esteem and status needs** : These are concerned with awareness of self importance and recognition from others. Most people feel this need to be rated higher than other needs and seek recognition and respect on that account. Satisfaction of esteem needs produces feelings of self-confidence, prestige, power, and control. The fulfilment of esteem needs leads to self confidence strength and capability of being useful in the organisation. Whereas inability to fulfil these needs results in feelings of inferiority, weakness and helplessness.
- 5) **Self-actualisation needs** : The final step under the need priority model is the need for self-actualisation. This is also called self fulfilment or the need to fulfil what one's potentialities for continued self-development and for being creative in the broadest sense of that term. After his other needs are fulfilled, a man has the desire for personal achievement. He wants to do something which is challenging and since this challenge gives him enough dash and initiative to work, it is beneficial to him in particular and to the society in general. The sense of achievement gives him satisfaction.

Maslow felt that the needs have a definite sequence of domination. The second need does not dominate until the first is reasonably satisfied. The third need does not dominate until the first two needs have been reasonably satisfied and so on. The other side of the need hierarchy is that man is never satisfied. If one need is satisfied another need arises. According to Maslow, if one's lower order needs (physiological and security needs) are not satisfied, he can be motivated only by satisfying these needs first and not by satisfying the higher order needs. Further, once a need or a certain order of needs is satisfied, it ceases to be a motivating factor.

The physiological and security needs are finite, but the needs of higher order are sufficiently infinite and are likely, to be dominant in persons at higher levels in the organisation. Studies have also revealed that those needs which are thought to be most important like social needs, ego needs and self-realisation needs are also the best satisfiers.

Do needs follow a hierarchy

The need priority model may not apply at all times in all places. Surveys in continental European countries and Japan have shown that the model does not apply very well to their managers. The degree of satisfaction of needs does not vary according to the need priority model. For example, workers in Spain and Belgium felt that their esteem needs are better satisfied than their security and social needs. Apparently, cultural differences are an important cause of these differences. Thus, need hierarchy may not follow the sequence postulated by Maslow. Even if safety need is not satisfied, the ego or social need may emerge.

The proposition that one need is satisfied at one time is also of doubtful validity. The phenomenon of multiple motivation is of great practical importance in understanding the behaviour of man. Man's behaviour at any time is mostly guided by multiplicity of motives. However, one or two motives in any situation

may be predominant while others may be of secondary importance. Moreover, at different levels of needs, the motivation will be different. Money can act as a motivator only for physiological and social needs, not for satisfying higher order needs. Employees are enthusiastically motivated by what they are seeking, more than by what they already have. They may react protectively to try to keep what they already have, but they move forward with enthusiasm only when they are seeking something else. In other words, man works for bread alone as long as it is not available.

There are always some people in whom, for instance, need for self-esteem seems to be more prominent than that of love. There are also creative people in whom the drive for creativeness seems to be more important. In certain people, the level of motivation may be permanently lower. For instance, a person who has experienced chronic unemployment may continue to be satisfied for the rest of his life if only he can get enough food. Another cause of reversal of need hierarchy is that when a need has been satisfied for a long time it may be under-evaluated.

15.6.3 Herzberg’s Motivation Hygiene Theory

A significant development in motivation theory is based on the distinction between motivational and maintenance factors in job situation. On the basis of his research findings Herzberg drew a distinction between what he called ‘motivators’ and ‘hygiene’ factors.

Some job conditions operate primarily to dissatisfy employees when the conditions are absent, but their presence does not motivate employees in a strong way. Many of these factors are traditionally perceived by management as motivators, but these are really more potent as dissatisfiers. The potent dissatisfiers are called maintenance factors in job because they are necessary to maintain a reasonable level of satisfaction among the employees. They are also known as dissatisfiers or ‘hygienic factors’ because they support employees’ mental health. Another set of job condition operates primarily to build strong motivation and high job satisfaction but their absence rarely proves strong dissatisfier. These conditions are ‘Motivational Factors’. Herzberge’s maintenance and motivational factors have been shown in the table given below.

Table 15.1: Herzberg’s Maintenance and Motivational Factors

Need Structure		
Maintenance or Hygienic Factors		Motivational Factors
1)	Company Policy and Administration	1) Achievement
2)	Technical Supervision	2) Recognition
3)	Inter-personal relations with Supervisor	3) Advancement
4)	Inter-personal relations with Peers	4) Work itself
5)	Inter-personal relations with Subordinates	5) Possibilities of growth
6)	Salary	6) Responsibility
7)	Job Security	
8)	Personal life	
9)	Working Conditions	
10)	Status	

Hygienic factors include wages, fringe benefits, physical conditions and overall company policies and administration. The presence of these factors at a satisfactory level prevents job dissatisfaction, but they do not provide motivation to the employees. So they are not considered as motivational factors. Motivational factors on the other hand are essential for increasing the productivity of the employees. They are also known as satisfiers and include such factors as recognition, feeling of accomplishment and achievement, opportunity of advancement and potential for personal growth, responsibility and sense of job and individual importance, new experience and challenging work etc.

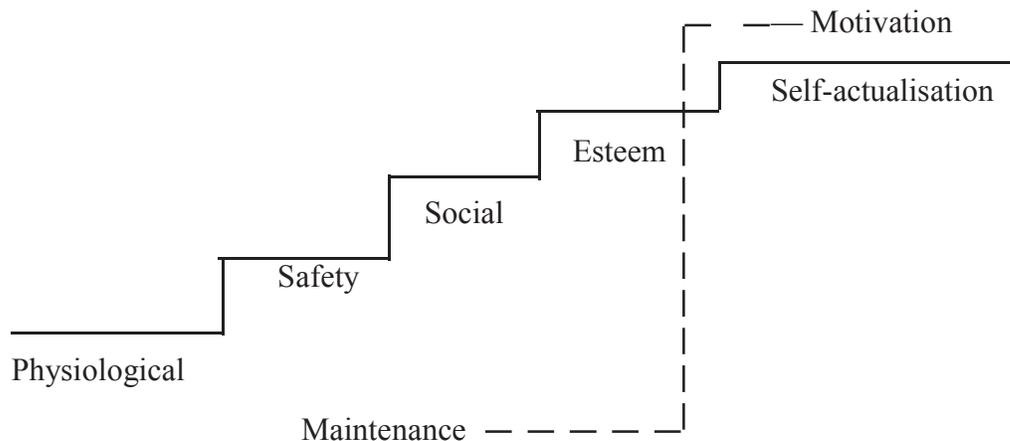
Herzberg further stated that managers have hitherto been very much concerned with hygienic factors. As a result, they have not been able to obtain the desired behaviour from employees. In order to increase the motivation of employees, It is necessary to pay attention to the satisfiers or motivational factors.

According to Herzberg today's motivators are tomorrow's hygiene because the latter stop influencing the behaviour of persons when they get them. When a person gets one thing, then something else will motivate him and the need which has been fulfilled will have only negative significance in determining his behaviour. It should also be noted that one's hygiene may be the motivator of another. For instance it is likely that workers in underdeveloped economies will designate some of the maintenance factors as motivators because their primary needs have not been fulfilled and they continue to be motivated by these factors.

15.6.4 Distinction between Herzberg's and Maslow's Theories

Both Herzberg and Maslow theories focus on motivational factors. Maslow's motivation theory is based on the hierarchy of needs. According to him an unsatisfied need becomes a motivating factor for the individual and governs his behaviour in that direction. But Herzberg has developed a theory of motivation by differentiating between motivational and maintenance (or hygienic) factors. Maintenance factors avoid job dissatisfaction but do not provide motivation to workers. According to him lower order needs like physiological, safety and social needs act as maintenance factors.

Herzberg's theory has a limited applicability in the sense that it is more applicable to professional personnel, Maslow's theory on the other hand has universal applicability, it is applicable to all kinds of workers.



15.6.5 Relationship between Maslow's and Herzberg's Theories

Though there are differences between the theories of Herzberg and Maslow still they are related to each other. Most of the maintenance factors of Herzberg come under comparatively lower order needs. Most of these needs remain satisfied and hence cease to be motivating. Maslow's physiological, security and social needs come under Herzberg's maintenance factors while self-actualisation comes under motivating factors. A portion of esteem needs like status becomes part of the maintenance factors and the remaining portion including advancement and recognition comes under motivational factors.

15.6.6 Job Enrichment

Herzberg attached greater importance to job enrichment in his two factor theory. Job enrichment implies enriching the content of job or the deliberate upgrading of responsibility, scope and challenge in work. Job enrichment is a motivational technique which emphasises the need for challenging and interesting work. It suggests that jobs be redesigned so that intrinsic satisfaction is derived from doing the job. In its best application, it leads to a vertically enhanced job by adding functions from other organisational levels so as to contain more variety, and challenge and offering autonomy and pride to the employee.

The term job enrichment should be distinguished from the term 'job enlargement'. Job enlargement attempts to make a job more varied by removing the dullness associated with performing repetitive operations. It involves a horizontal loading or expansion i.e. the addition of more tasks of the same nature. But in jobs enrichment, the attempt is to build into job a higher sense of challenge and importance of achievement. Job enrichment involves vertical loading. Additions in job enrichment require higher levels of skills and competence.

Some of the principles which make job enrichment effective are:

- 1) Give the workers the freedom of operation and responsibility.
- 2) Managers should have better understanding of what workers really want. They wish that their managers feel concerned about the welfare.
- 3) Workers should be consulted and given the chance to offer their suggestions.
- 4) Introduce new and more difficult tasks at each step, giving workers an opportunity to learn and specialise.
- 5) The workers should be given frequent feedback on their performance. Recognition and appreciation of their work induce them to learn more. It also eliminates possibilities of wide variations. This increases the efficiency of workers.

Advantages of job Enrichment

Following are the advantages of job enrichment:

- i) It makes the work interesting.
- ii) It decreases the rates of absenteeism and labour turnover.
- iii) It helps motivation through opportunities for growth and advancement.
- iv) It makes for task reinforcement and increases the skill of workers.

- v) Workers get higher job satisfaction.
- vi) The enterprise gains through improvement of output both quantitatively and qualitatively and higher satisfaction of the workers.

Limitations of job Enrichment

Following are the limitations of job enrichment:

- i) Technology may not permit the enrichment of all jobs. With specialised machinery, it may not be possible to make jobs very meaningful.
- ii) Job enrichment has proved to be a costly process in certain cases as the expenditure involved is bigger than the gains in productivity.
- iii) Jobs of highly skilled professional employees contain many challenging elements, but they are not necessarily that much efficient.
- iv) It is difficult to say that all workers really want challenging jobs. Many of them even like to avoid responsibility. They seem to like above all job security and pay.
- v) All those who prefer job enrichment may not have the requisite capability to meet the new challenges.

Check Your Progress B

- 1) Fill in the blanks.
 - i) According to Theory X, workers can be made to work only through leadership.
 - ii) Needs that are taken as the starting point of Maslow’s motivation theory are the needs.
 - iii) Lower order needs are but the higher order needs are
 - iv) factors also known as dissatisfiers are of negative importance in motivation.
 - v) Job enrichment is a technique.
- 2) Match the following words/phrases in columns I and II by pairing the alphabets and number against each:

Column I

Column II

- | | |
|---------------------|-------------------------------|
| i) Hygienic factor | a) Increased responsibility |
| ii) Theory X | b) Achievement |
| ii) Theory Y | c) Addition of similar tasks |
| v) Job enrichment | d) Salary |
| vi) Real motivators | e) Work is as natural as play |
| vi) Job enlargement | f) Dislike of work |

15.7 TYPES OF MOTIVATION

Motivation may be classified on various bases :

- 1) Positive or negative
- 2) Extrinsic and intrinsic
- 3) Financial or non-financial

Positive motivation is the process of attempting to influence the employees' behaviour through recognition and appreciation of employees' efforts and contribution towards achievement of organisational goal. Examples of positive motivators are : taking interest in subordinates benefits, appreciation and credit for work done, delegating the authority and responsibility to subordinates etc.

Negative motivation is based upon fear i.e. demotion, lay off etc. The fear of punishment affects the behaviour towards changes. Though punishment has resulted in controlling the misbehaviour and contributed towards positive performance but it may also lead to poor performance & lower productivity. The second classification relates to extrinsic and intrinsic motivation. Extrinsic motivators arise away from the job. They do not occur on the job. These factors include: wages, fringe benefits, medical reimbursement, etc. Thus, they are generally associated with financial incentives. But, intrinsic motivators occur on the job and provide satisfaction during the performance of work itself. Intrinsic or internal motivators include: recognition, status, authority, participation, etc.

Lastly motivators may be financial or non-financial. Financial motivators are those which are associated with money. They include: wages and salaries, fringe benefits, bonus, retirement benefits, etc. Non-financial motivators are those which are not associated with monetary rewards. They include: intangible incentives like ego satisfaction, self- actualisation and responsibility. Here we shall be confining our discussion only to financial and non-financial motivation/incentives.

15.7.1 Financial Motivation/Incentives

Money plays an important role in motivation. Management generally make use of financial incentives like wages and salaries, bonus, retirement benefits, insurance, medical reimbursement, etc. to motivate the workers. However, such incentives may not always prove to be motivating. In many cases, management may have to increase the financial incentives to keep the workers with the organisation. This can be appreciated from the practice of making wages and salaries competitive among various enterprises so as to attract and maintain good work-force.

Money is a real motivating factor when the physiological and security needs of the workers have not been fully satisfied. Money plays a significant role in satisfying these needs. Therefore, management can use financial incentive for motivation. Money also helps in satisfying the social needs of employees to some extent because money is often recognised as a symbol of status, respect and power. Besides money is an important means of achieving a '**minimum standard of living**' although this 'minimum' has the tendency to go up as people become more affluent. But this should not lead one to conclude that money will always be a motivating factor to all people. To some people, importance of

money may be reduced after a certain stage, and non-financial rewards may become more important. They are motivated by money only up to the stage they are struggling for satisfying their physiological and security needs.

Money provides for the satisfaction of physiological and safety needs only which have been called hygienic factors by Herzberg. **Hygienic factors** include: wages and salaries and other fringe benefits. The presence of these factors at a satisfactory level prevents job dissatisfaction. They do not provide 'on a job satisfaction' to the employees and, therefore, cannot be considered as motivational factors. According to Herzberg, in order to motivate the employees, it is necessary to provide for the satisfaction of ego, social and self-actualisation needs. But these needs are present generally in case of employees in the higher positions, who get higher monetary rewards and are not motivated by increased monetary benefits. In case of employees at the operative levels, money certainly plays a significant role in motivating them because their survival and safety depends on it.

From the above discussion, it can be said that money is not the only motivator and it is not always a motivator. Management should therefore, establish a motivational system which is capable of satisfying different kinds of human needs. On the job, satisfaction can be provided by helping the employees to develop themselves. Job enlargement, participative management, recognition, status symbols, and making the job challenging are some of the other non-financial incentives which also motivate employees.

15.7.2 Non-Financial Motivation/Incentives

When the physiological and security needs are satisfied with the help of money, it ceases to be a motivating force; that is why it is regarded as a maintenance factor. Indeed employees have other needs also. They want status and recognition in society; they want to satisfy their ego needs and they want to achieve something in their lives. In order to motivate the employees having these needs, management may use the following non-financial incentives:

- 1) **Competition** : If there is healthy competition among individual employees, groups of employees, it leads them to achieve their personal or group goals. Hence, competition acts as a non-financial incentive.
- 2) **Praise or Appreciation of work done** : Recognition of satisfactory performance acts as a non-financial incentive since it satisfies one's ego needs. Sometimes appreciation of work done is more effective than any other incentive. However, this incentive should be used with great care because praising an incompetent employee creates resentment among competent employees.
- 3) **Knowledge of the results** : Knowledge of the results of work accomplished leads to employee satisfaction. A worker feels happy if he is informed about performance. He derives satisfaction when his superior appreciates the work he has done. In modern industry, the production workers have no contact with the consumers and so they cannot get the reaction of the consumers. However, they can be motivated to a greater extent if they are told the rating of their performance.

- 4) **Workers' participation in management** : Participation in management provides strong motivation to the employees. It gives them psychological satisfaction that their voice is heard. Participation in management provides for two-way communication and so imbibes a sense of importance.
- 5) **Suggestion system** : Suggestion system is an incentive which satisfies many needs of the employees. Many organisations which use the suggestion system make use of cash awards for useful suggestions. They sometimes publish the worker's name with his photograph in the company's magazine. This motivates the employees to be in search for something which may be of greater use to the organisation.
- 6) **Opportunity for growth** : Opportunity for growth is another kind of incentive. If the employees are provided opportunities for their advancement and growth and to develop their personality, they feel very much satisfied and become more committed to organisation goals.

Check Your Progress C

- 1) Which of the following statements are **True** and which are **False**.
 - i) Negative motivation influences behaviour through the threat of penalty.
 - ii) Intrinsic motivation includes such factors as wages, fringe benefits, etc.
 - iii) Employees participation in management acts as a non-financial incentive.
 - iv) Opportunity for growth is a financial incentive.
 - v) Money can be a motivator to an unlimited extent.
- 2) Fill in the blanks.
 - i) Money is a real motivating factor so long as and needs are not fully satisfied.
 - ii) Positive motivation is based on
 - iii) Hygienic factors satisfy the needs.
 - iv) Competition among employees is a incentive.
 - v) Knowledge of the result of one's performance leads to

15.8 LET US SUM UP

Motivation may be defined as the complex of forces inspiring a person at work to intensify his willingness to use his maximum capabilities for the achievement of certain objectives. Motives or needs of a person are the starting point of the motivation process. Motives are energising, invisible forces. One motive may result in many different behaviours. Also the same behaviour may result from many different motives. Behaviour can be used as an estimate of an individual's motive. Motives can operate in harmony or in conflict. Motives change over time. Motives can also interact with the environment.

The basic elements of the process of motivation are : (i) behaviour, (ii) motives, (iii) goals, (iv) some form of feedback or reaction. Behaviour is generally

motivated by the desire to achieve a goal. Motives are directed towards goals and prompt people to action.

McGregor formulated two sets of assumptions about human beings, which formed the basis of Theory X and Theory Y of motivation. He described Theory X as the traditional theory which required workers to be persuaded and pushed into performance on the assumption that the average human being dislikes work and would avoid it if he can. He propounded Theory Y based on the assumption that people by nature love work and can exercise self-direction and self-control in the service of objectives to which they are committed.

Maslow's need priority theory is based on needs of people which arise in sequence and hierarchical order from physiological needs through security needs, social needs, esteem needs and self-fulfilment needs. Herzberg's two-factor theory distinguishes between maintenance or hygienic factors and motivational factors, the former having only negative significance and the latter having positive effect on motivation. The absence of maintenance factors like wages, job security, physical conditions of work and such extrinsic elements cause dissatisfaction, but their presence does not provide motivation. On the other hand, motivational factors such as recognition, achievement, etc. are essential for motivating employees and these factors provide positive incentives.

Herzberg emphasised the importance of job enrichment as one of the motivational factors. It refers to enriching the job content or the deliberate upgrading of responsibility, scope and challenge in work. Job enrichment differs from job enlargement which involves horizontal loading, that is, addition of more tasks of the same nature.

Motivation may be classified on different bases e.g. positive and negative, extrinsic and intrinsic, financial and non-financial. Positive motivation is the process of attempting to influence the employees behaviour through the possibility of reward. Negative motivation is based on fear and threats i.e. demotion, lay off etc. Extrinsic motivators arise away from the job and are financial in nature. Intrinsic motivators are concerned with the state of self-actualisation and occur on the job.

Financial motivation refers to motivation induced by money or money's worth, like wages and salaries, bonus, medical benefits, etc. Non-financial motivation includes: incentives like competition, praise, knowledge of results, participation in management, opportunity for growth etc.

15.9 KEY WORDS

- Behaviour** : Behaviour refers to the series of activities undertaken by an individual or a group with a view to achieving stated goals.
- Esteem and status needs** : They relate to self-confidence independence, achievement, competence, initiative, success, etc.
- Extrinsic Motivation** : Extrinsic motivation refers to the incentives which are external to the job, such as, salary, fringe benefits, etc.

Financial Incentives	: Financial incentives are those which involve money or benefits in kind like wage, salary, retirement benefits, insurance, medical reimbursement etc.
Goals	: Goals are the ends which provide satisfaction of human needs.
Intrinsic Motivation	: It refers to incentives internal to the job and provides satisfaction during the performance of work itself.
Job Enrichment	: It refers to the process whereby a job is enriched in terms of its contents, responsibility, scope, variety and challenge.
Motivation	: Motivation refers to the process by which human needs direct and control the behaviour of a human being.
Motives	: Motives are the primary energisers of behaviour which prompt people to action.
Motivators	: Motivators are associated with positive feelings of employees about the job.
Negative Motivation	: It refers to the process of influencing employees' behaviour through fear of losing the job or losing promotion.
Non-Financial Incentives:	It includes incentives like status, recognition, challenge in work etc.
Physiological Needs	: These needs relate to survival and maintenance of human life, such as, need for food, clothing, shelter, water, rest, etc.
Positive Motivation	: It refers to the process of influencing employees' behaviour through the possibility of reward.
Safety and Security Needs :	These needs relate to job security, physical security, income security, provision for old age, etc.
Self-Actualisation or Self-Fulfilment	: It refers to realising one's potentiality for continued self-development and for being creative in the broadest sense of the word.
Social Needs	: These relate to need for social incentive, relatedness, companionship, belongingness, etc.

15.10 ANSWER TO CHECK YOUR PROGRESS

- A) 1. (i) True (ii) False (iii) True (iv) False (v) False
2. (i) needs internal (ii) behaviour (iii) latent (iv) goals (v) motivate

- B) 1. (i) autocratic (ii) physiological (iii) finite, infinite (iv) hygienic/
maintenance (v) motivational
2. (i)-d) (ii)-f) (iii)-d) (iv) -e) (v)-b) (vi)-c)
- C) 1. (i) True (ii) False (iii) True (iv) False (v) False
2. (i) physiological security (ii) rewards (iii) lower-order (iv) non-financial
(v) satisfaction.

15.11 TERMINAL QUESTIONS

- 1) Define motivation. Explain its importance to a modern enterprise.
- 2) What do you understand by the term 'motivation'? Point out the difference between positive and negative motivation.
- 3) Explain Herzberg's two-factor theory and differentiate it from Maslow's theory of Need Hierarchy.
- 4) Enumerate the assumptions of McGregor's Theory X and Theory Y. Which one is applicable in India?
- 5) What is meant by hierarchical nature of needs? Is the hierarchy rigid? Discuss with suitable examples.
- 6) "Money holds the key to work motivation in modern business organisations." Discuss.
- 7) "Non-financial incentives are as strong motivators as the financial ones" Critically examine this statement in the light of need-priority model and two-factor theory of motivation.

Note : These questions will help you to understand the unit better. Try to write answers for them. But, do not submit your answers to University. These are for your practice only.

UNIT 16 LEADERSHIP

Structure

- 16.0 Objectives
- 16.1 Introduction
- 16.2 What is Leadership?
- 16.3 Importance of Managerial Leadership
- 16.4 Theories of Leadership
- 16.5 Leadership Styles
- 16.6 Functions of Leadership
- 16.7 Motivation and Leadership
- 16.8 Leadership Effectiveness
 - 16.8.1 Factors Influencing Leadership Effectiveness
 - 16.8.2 Qualities of an Effective Leader
- 16.9 Let Us Sum Up
- 16.10 Key Words
- 16.11 Answers to Check Your Progress
- 16.12 Terminal Questions

16.0 OBJECTIVES

After studying this unit, you should be able to:

- explain the meaning of leadership
- describe the importance of managerial leadership
- state the theories and different styles of leadership
- outline the functions of leadership
- analyse the relation between motivation and leadership
- explain the meaning of leadership effectiveness and enumerate the qualities of an effective leader
- describe the meaning and significance of morale.

16.1 INTRODUCTION

As you know that management involves getting work done through the people. By virtue of their position, managers can issue orders and instructions to their subordinates to get work done. But it is also necessary to ensure that subordinates put in their maximum effort in performing their tasks. Hence, managers have to regulate and influence the subordinates behaviour and conduct at work. It is through the leadership role of managers that employees may be induced to perform their duties properly and maintain harmony in group activities. A manager having formal authority can direct and guide his subordinates and command their obedience by virtue of his positional power. But as a leader, the manager can influence work behaviour by means of his leadership ability to get

the cooperation of all members of the group. In this Unit, you will learn the importance, theories, styles and functions of leadership. You will further learn about the leadership effectiveness and morale.

16.2 WHAT IS LEADERSHIP?

Leadership may be defined as a process of influencing group activities towards the achievement of certain goals. Thus, the leader is a person in a group who is capable of influencing the group to work willingly. He guides and directs other people and provides purpose and direction to their efforts. The leader is a part of the group that he leads, but he is distinct from the rest of the group. As defined by George R. Terry “Leadership is the activity of influencing people to strive willingly for group objectives”.

Leadership naturally implies the existence of a leader and followers as well as their mutual interaction. It involves inter-personal relation, which sustains the followers accepting the leader’s guidance for accomplishment of specified goals.

Managers have to guide and lead their subordinates towards the achievement of group goals. Therefore, a manager can be more effective if he is a good leader. He does not depend only on his positional power or formal authority to secure group performance but exercises leadership influence for the purpose. As a leader he influences the conduct and behaviour of the members of the work team in the interest of the organisation as well as the individual subordinates and the group as a whole. But leadership and management are not the same thing. Management involves planning, organising, coordinating and controlling operations in achieving various organisational goals. Leadership is the process which influences the people and inspires them to willingly accomplish the organisational objectives. Thus, a manager is more than a leader. On the other hand, a leader need not necessarily be a manager. For instance, in an informal group, the leader may influence the conduct of his fellow members but he may not be a manager. His leadership position is due to the acceptance of his role by his followers. But, the manager, acting as a leader, has powers delegated to him by his superiors. His leadership is an accompaniment of his position as a manager having an organised group of subordinates under his authority. Thus, managerial leadership has the following characteristics:

- i) It is a continuous process whereby the manager influences, guides and directs the behaviours of subordinates.
- ii) The manager-leader is able to influence his subordinates behaviour at work due to the quality of his own behaviour as leader.
- iii) The purpose of managerial leadership is to get willing cooperation of the work group in the achievement of specified goals.
- iv) The success of a manager as leader depends on the acceptance of his leadership by the subordinates.
- v) Managerial leadership requires that while group goals are pursued, individual goals are also achieved.

16.3 IMPORTANCE OF MANAGERIAL LEADERSHIP

The importance of managerial leadership in an organisation arises from the basic nature of the managerial and leadership roles of managers. Combination of these roles invariably leads to not only effective task performance and fuller achievement of organisation goals but also human satisfaction around. This is because management is based on the formal authority of managers. Whereas, being leaders of work groups enables managers to achieve results on the basis of inter-personal relations. The leader manager identifies himself with the work group. He acts as an intermediary between his subordinates and the top management. He takes personal interest in the development of his subordinates, helps them in overcoming individual problems through advice and counselling, creates appropriate work environment and builds up team spirit. As a result the leader manager is able to develop better team work. The subordinates willingly accept his advice, guidance and direction and are inspired as a group to accomplish the specific goals.

16.4 THEORIES OF LEADERSHIP

There are a number of theories which provide explanations regarding various aspects of the leadership phenomenon. Let us examine some of the theories.

Trait Theory : This is the earliest theory based on a distinction between the personal qualities or traits of successful leaders. The theory suggests a list of personality traits or characteristics which must be present in a person for his success as a leader. According to this theory, leaders must be physically strong and well-built, intelligent, honest and mentally mature. He must have initiative, self-confidence, ability to take decisions, and so on. Since all individuals did not have these qualities, only those who had them would be considered potential leaders. Following are the limitations of this theory:

- i) The trait theory is not accepted as a valid theory.
- ii) There is no universally agreed list of traits associated with successful leaders.
- iii) It is difficult to measure the traits and, therefore it is not always possible to distinguish between leaders and followers.

Behavioural Theories : The behavioural theories of leadership are based on the belief that leaders can be identified by reference to their behaviour in relation to the followers. In other words, it is suggested that leadership can be described in terms of what leaders do rather than what they are. Behavioural theories have been presented mostly on the basis of research studies. According to the studies conducted in the States of Michigan, USA, leaders who treat their subordinates as human beings, are concerned about their well-being, and encourage and involve them in goal setting, are more effective. They are described as ‘employee-centred’ leaders. On the other hand, leaders who are ‘production-centred’ emphasise job performance in conformity with prescribed standards. He exercises close control over the employees as if they were tools of production. Such a leadership is associated with unsatisfactory work performance due to the low morale of employees.

Studies conducted in Ohio State University showed two dimensions of leader's behaviour viz., Initiating structure and Consideration. 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 pattern of organisation, channels of communication and methods of procedure. Whereas, consideration refers to behaviour indicative of friendship, mutual trust, respect and warmth in the relationship between leader and the members of his staff.

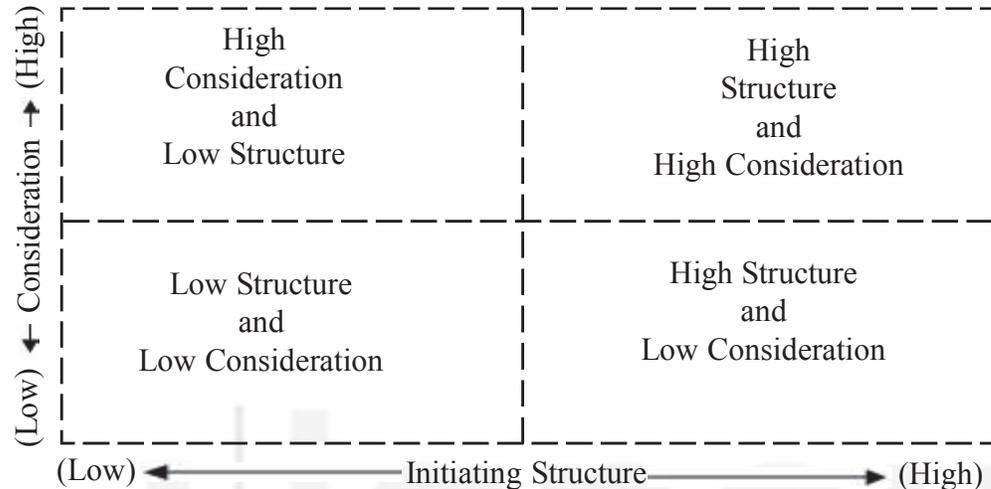


Fig. 16.1: Combination of Initiating Structure and Consideration

Look at Figure 16.1 which shows that the behaviour of a leader may be described as any mix of both dimensions.

Situational Theories : In the situational theories of leadership the success of leadership depends upon the situation in which the leader operates.

According to leadership contingency model developed by Fred E. Fiedler, the leader's effectiveness depend upon three situational factors:

- i) **Leader-followers relations**, that is the degree of follower's trust, confidence and respect for the leader.
- ii) The extent to which the task performed by subordinates is routine or non-routine (known as **task structure**).
- iii) The **position power** of the leader, that is, the power associated with the rank and position of the leader in the organisation. He defined favourableness of a situation as the degree to which the situation enables the leader to exert his influence over his group.

The most favourable situation for leaders to influence their group is one in which they are well liked by the members, the task is highly structured (i.e., routinised and predictable) and the leader has enormous power attached to his position. On the other the most unfavourable situation for leaders is one in which they are disliked, the task is highly unstructured and he will have little position power.

Task Oriented	Relationship Oriented	Task Oriented
Very favourable leadership situation	Intermediate favourable leadership situation	Very unfavourable leadership situation

Fig. 16.2: Appropriateness of leadership behaviour for various group situations

Look at Figure 16.2 which shows that task oriented leaders tend to perform best in group situations that are either very favourable or very unfavourable to the leader. On the other hand, relationship-oriented leaders tend to perform best in situations that are intermediate (medium) in favourableness.

Another situational theory is the ‘**Path-Goal Theory**’. According to this theory, leaders are effective due to their influence on followers’ motivation, ability to perform, and their satisfaction. Subordinates are motivated by the leader to the extent he is able to influence their expectancies relating to the performance and attractiveness of the goal. Further, individuals are satisfied with their job if they believe that (a) performance of the job will lead to desirable outcomes and (b) with hard work they will be able to achieve the desirable outcomes.

16.5 LEADERSHIP STYLES

The dominant behaviour pattern of a leader-manager in relation to his subordinates is known as leadership style. There are three basic styles of leadership as follows:

- 1) Autocratic or Authoritative Style
- 2) Democratic or Participative Style and
- 3) Laissez-faire or Free-rein Style.

Autocratic or Authoritative Style

An autocratic leader centralises power and decision-making in himself and exercises complete control over the subordinates. In this style, subordinates are compelled to follow the orders of the leader under threat of penalties. They have no opportunity to take part in goal-setting, or take initiative or make suggestions. They are subject to close supervision and, thus have a tendency to avoid responsibility. The autocratic manager has little concern for the well-being of employees, who suffer from frustration and low morale. They do not have any sense of belonging to the organisation and try to work as little as possible.

Limitations : It should be clear from the above that there are several limitations of the autocratic style of leadership.

- i) It results in low morale due to the inner dissatisfaction of employees.
- ii) Efficiency of production goes down in the long run.
- iii) It does not permit development of future managers from among capable subordinates.

Despite the above limitations, autocratic leadership can be successfully applied in the following situations:

- i) When subordinates are incompetent and inexperienced.

- ii) The leader prefers to be active and dominant in decision-making.
- iii) The company endorses fear and punishment for disciplinary techniques.
- iv) There is a little room for error in final accomplishment.
- v) Under conditions of stress when great speed and efficiency are required.

Since the leader-manager takes all decisions in autocratic style, there is uniformity and consistency in decision-making.

Democratic or Participative Style

The democratic style is also known as participative style. In this style, decisions are taken by the leader in consultation with the subordinates and with their participation in the decision making process. The participative leader encourages subordinates to make suggestions and take initiative in setting goals and implementing decisions. This enables subordinates to satisfy their social and ego needs, which in turn, lead to their commitment to the organisation goals and higher productivity. Frequent interaction between the manager and subordinates helps to build up mutual faith and confidence.

Several benefits can be derived from the participative style of leadership as listed below:

- i) It helps subordinates to develop their potential abilities and assume greater responsibilities.
- ii) It provides job satisfaction and improves the morale of employees.
- iii) The group performance can be sustained at a high level due to the satisfied and cohesive nature of the group.

However, the democratic style cannot be regarded as the best style under all circumstances. Its limitations are as follows:

- i) Decisions taken through consultation may cause delay and require compromises to meet different viewpoints.
- ii) A few vocal individuals may dominate the decision-making process.
- iii) No one individual may take the responsibility for implementing the decision taken by the group as a whole.

Despite the above limitations, democratic style is suitable in the following situations:

- i) When subordinates are competent and experienced.
- ii) The leader prefers participative decision-making process.
- iii) Rewards and involvement are used as the primary means of motivation and control.
- iv) The leader wishes to develop analytical and self-control abilities in his subordinates.
- v) The organisation has clearly communicated its goals and the objectives to the subordinates.

Laissez Faire Leadership Style

Laissez faire leadership style is just the opposite of autocratic style. A manager, who adopts this style, completely gives up his leadership role. The subordinate

group is allowed to make decisions and it is left to the members of the group to do as they like. The role of any leader is absent. The group members enjoy full freedom as regards goal-setting and acting on it. Hence, there is chaos and mismanagement of group goals. However, laissez faire leadership is found to be quite suitable where the subordinates are well-trained, competent and the leader-manager is able to fully delegate the powers of decision-making and action to the subordinates.

Laissez faire style is suitable in the following situations:

- i) When leader is interested in delegating decision-making fully.
- ii) Subordinates are well trained and highly knowledgeable.
- iii) Organisation goals have been communicated.

Despite a few suitability, this style should be adopted rarely because it may lead to chaos and mismanagement.

Look at Figure 16.3 which shows diagrammatic representation of all these leadership styles

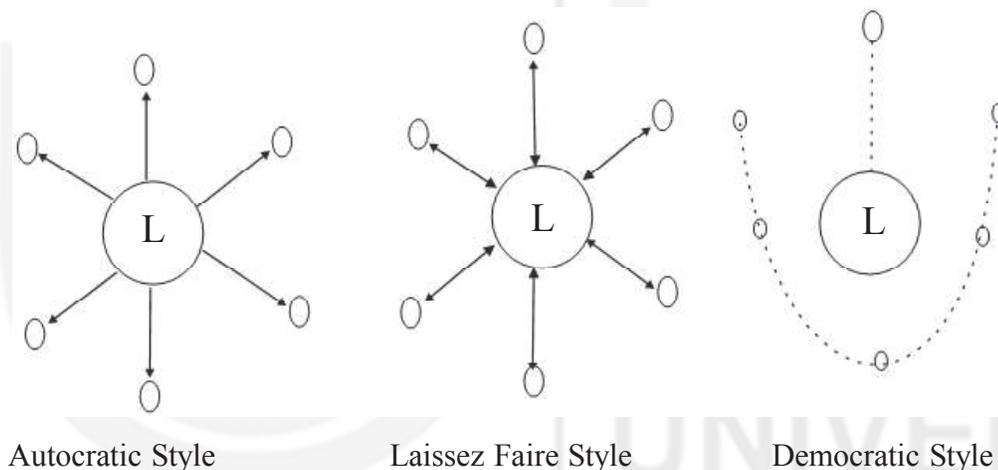


Fig. 16.3: Diagrammatic Representation of Leadership Style

Robert Tannenbaum and Warren Schmidt depicted a broad range of leadership styles on a continuum which moves from authoritarian or boss-centred leader behaviour at one end to democratic or subordinate-centred behaviour at the other end.

Look at Figure 16.4 which shows that leaders who are at the authoritarian end of the continuum tend to be task-oriented and use their power to influence their followers. He enjoys a high degree of control and delegate very little authority. On the other hand, leaders who are at the democratic side tend to be group oriented and provide their followers considerable freedom in their work.

Although the leader continuum approach provides a wide range of leader's behaviour. It identifies the number of behavioural alternatives available to a manager. Moreover, the success of the leadership style depends on the modification of the leader to the needs of the situation. Its major limitation is that it supports unidimensional thinking. It has been found that employees orientation and task-orientation are not opposite ends on a continuum.

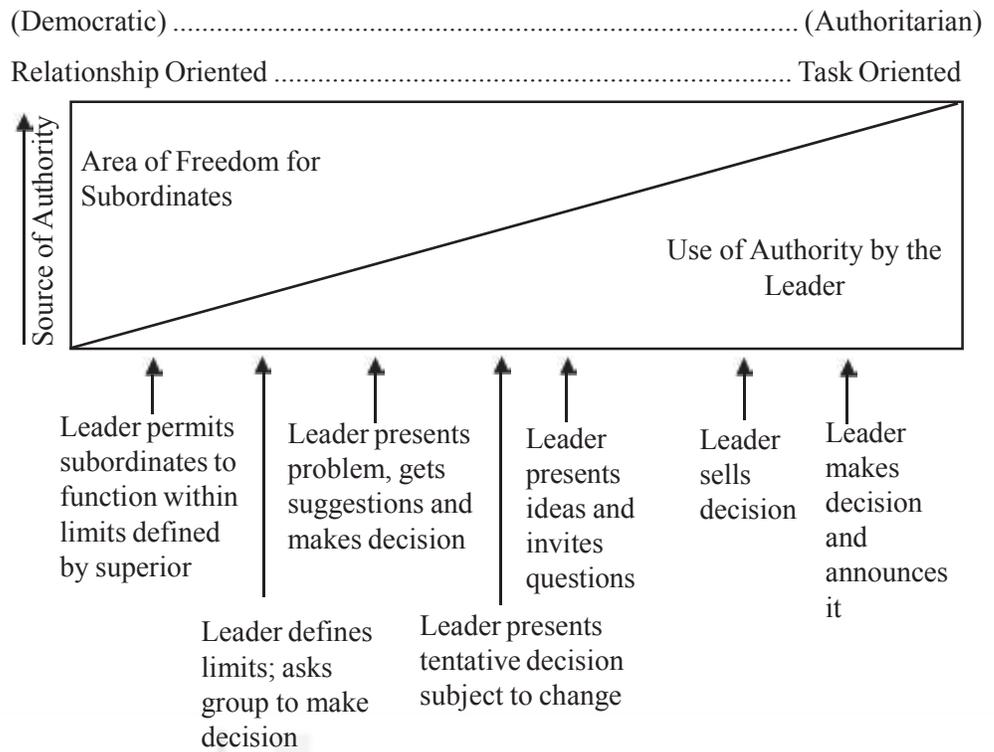


Fig. 16.4: Continuum of Leader Behaviour

Check Your Progress A

- 1) Which of the following statements are **True** and which are **False**.
 - i) Leadership is not the same thing as managership.
 - ii) Leadership is a function of management.
 - iii) Managerial leadership involves pursuit of group goals, not individual goals.
 - iv) Trait theory of leadership emphasises the behaviour of leaders.
 - v) An autocratic leader-manager can be effective in the short-run, but not in the long- run.

- 2) Fill in the blanks selecting appropriate words from those given within brackets.
 - i) A leader manager invariably his subordinates (commands / directs and guides/rewards).
 - ii) Managerial leadership is a process (regular/continuous / convenient).
 - iii) A democratic leader takes decisions on the basis of (his own judgement / group opinion / individual views).
 - iv) Employee-centred leaders have maximum concern for (work / subordinates / organisational goals).
 - v) If the situation is highly favourable leadership is most suitable (relations oriented / task oriented).

16.6 FUNCTIONS OF LEADERSHIP

A leadership functions of a manager are closely related with his managerial functions. But they are somewhat different as well as overlapping. Essentially, the leader as a manager has to set the group goal, make plans, motivate and inspire subordinates and supervise performance. But he has to perform several other functions as leader. The more important of these functions are given below:

- 1) **To develop team work :** One of the primary functions of the leader is to develop his work-group as a team. It is his responsibility to create a congenial work-environment keeping in view the subordinates competence, needs and potential abilities.
- 2) **To act as a representative of the work-group :** The leader of a work-group is expected to act as a link between the group and top management. When necessary, the leader has to communicate the problems and grievances of his subordinates to the top management.
- 3) **To act as a counsellor of the people at work :** Where the subordinates face problems in connection with their performance at work, the leader has to guide and advise the subordinates concerned. The problems may be technical or emotional in nature.
- 4) **Time management :** The leader's functions include not only ensuring the quality and efficiency of work performed by the group, but also checking on the timeliness of completing different stages of work.
- 5) **Proper use of power :** While exercising power or authority in relation to his subordinates, the leader must be careful about using his power in different ways according to the situation. It may be necessary to use reward power, coercive power, or expert power, formal or informal power, depending on what will stimulate positive response from the subordinates.
- 6) **Secure effectiveness of group-effort :** To get the maximum contribution towards the achievement of objectives, the leader must provide for a reward system to improve the efficiency of capable workmen, delegate authority, and invite participation of employees in decision-making, ensure the availability of adequate resources, and communicate necessary information to the employees.

16.7 MOTIVATION AND LEADERSHIP

Effective leadership makes a positive impact on the motivation of members of a work group. This is due to the following reasons :

- i) Leadership creates a congenial work environment and thus ensures job satisfaction.
- ii) It enables group members to achieve individual goals as well as organisational goals.
- iii) It provides for a proper system of rewards and incentives for capable employees, which includes both financial and non-financial incentives.

- iv) The leader’s concern for the well-being and development of subordinates promises self- fulfilment to every group member.

An effective leader-manager helps and supports his subordinates in the light of their individual values and expectations. This supportive relationship increases their motivation as it builds and maintains a sense of personal worth and importance of each individual.

16.8 LEADERSHIP EFFECTIVENESS

We have discussed above how different styles of leadership reflect the behaviour pattern of the leaders. The manager leader may be effective or ineffective depending upon the leadership style adopted by him. He may be **employee-centred** (i.e., relations-oriented) or **production centred** (i.e., task oriented). In other words, the style may reflect the leaders **concern for people** or **concern for production**. But in reality, the manager-leader may combine his concern for people and concern for production with different degrees of emphasis on each. This idea was developed in the form of what is known as ‘**Managerial Grid**’, which is briefly outlined below.

Managerial Grid : The managerial grid refers to a diagrammatic representation of the possible combinations of concern for people and concern for production which may be reflected in the style of leadership. The concept of managerial grid was developed by Blake and Mouton in 1964.

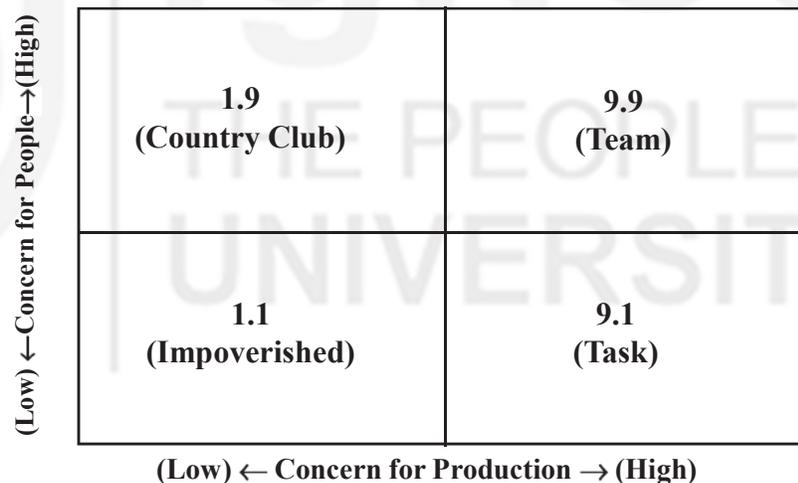


Fig. 16.5: Diagrammatic Representation of Managerial Grid

As shown in the diagram, there are nine degrees of concern each for people and production. Combining lower degrees and higher degrees of concern, five basic styles of leadership are distinguished as follows (No. 1 representing minimum concern, and No. 9 maximum concern):

- 1.1 style, where the manager has minimum concern for people as well as production, is known as **impoverished management**. This represents a casual attitude of the manager towards his job and the organisation cannot be expected to survive.
- 9.1 style reflects the manager’s highest concern for production but least concern for people. It is known as **task management**.
- 1.9 style in which the manager has the maximum concern for people and minimum concern for production is described as country club management.

It implies that the manager is inclined to keep people happy expecting that happiness will make them more efficient, which is not true for business enterprises.

- 5.5 style represents moderate concern for both people and production and therefore known as middle of road management. This style of leadership is preferred by many managers whose approach to management is that of “live and let live”.
- 9.9 style is the best combination of concerns for people and production with maximum concern for both. In this case, the manager tries to integrate the objectives of the organisation with the objectives of the people employed. This style therefore represents team management. It may be suggested that the 9,9 management style is likely to be most effective.

Effective and Ineffective Styles

Effectiveness depends on the situational demands of a specific environment. When the style of a leader is appropriate to a given situation, it is termed effective. On the other hand, when the style is inappropriate to a given situation it is termed ineffective. Look at Figure 16.6 which shows the effective dimension of leadership.

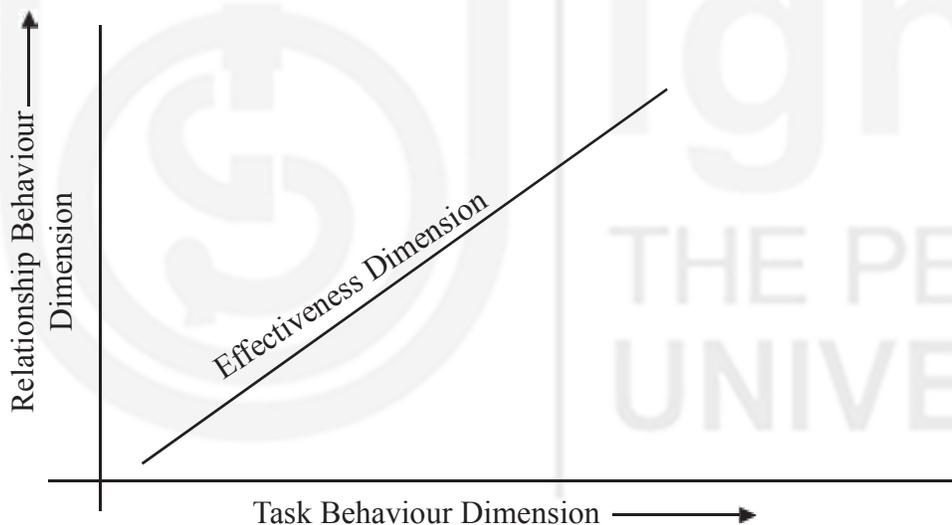


Fig. 16.6: Diagrammatic Representation of Effectiveness Dimension

The basic styles of leadership are further divided into eight styles according to their degrees of effectiveness i.e., as more effective and less effective styles. The following are regarded as **more effective styles**.

Executive : Used by a manager, this style attaches maximum importance to work as well as the people. Such a manager is able to motivate people and utilise the team effectively. He sets high standards of performance and can accomplish the goals successfully.

Developer : The manager adopting this style attaches greatest importance to the people at work and has minimum concern for work. He devotes maximum attention to the development of individual subordinates and believes in their capability.

Benevolent autocrat : The manager whose attitude and style are those of a benevolent autocrat has high concern for work and low concern for people. But he is able to achieve the goals without causing any resentment among the subordinates.

Bureaucrat : With a bureaucratic style the manager is able to control the work-situation and achieve goals by means of rules and procedure. He has minimum concern for people and work as such.

The less effective (or ineffective) styles are stated to be those which are not appropriate to the situation. These are as follows:

Compromiser : A manager who is equally concerned with people and work in a situation which requires emphasis on one of these, is a poor decision-maker due to pressures on both counts. Thus he is ineffective manager leader.

Missionary : The missionary manager is one who aims at harmonious relations among people as an ideal and is little concerned with work, although the situation requires greater emphasis on work. He is unable to get results.

Autocrat : An autocratic manager is interested only in work and results thereof, whereas the situation requires relation-orientation. Such a manager lacks confidence in his subordinates and depends on high-handed management. So his leadership fails in the long-run.

Deserter : The manager who is concerned with neither people nor work reflects a passive attitude towards his job. He is an escapist.

16.8.1 Factors Influencing Leadership Effectiveness

Taking an overall view of the question of effectiveness of leaders, some writers have identified a number of factors that influence the leader and his effectiveness. These factors are:

- 1) The leader's own personality, past experience and expectations.
- 2) The expectations and behaviour of his superiors.
- 3) The subordinates' characteristics, expectations and behaviour.
- 4) The requirements of tasks to be performed by subordinates.
- 5) Expectations and behaviour of fellow managers (peers).
- 6) Organisational culture (climate) and policies.

16.8.2 Qualities of an Effective Leader

A leader cannot be effective unless he possesses certain qualities of head and heart. Irrespective of the nature of the manager-leader's own responsibilities of the job and the style adopted by him, a number of qualities are generally found to be possessed by the effective leader. The more important of these qualities are listed below :

- 1) **Mental and physical health :** To be able to bear the pulls and pressures of leadership, it is essential for the leader to have sound health both mental and physical. Along with a balanced temperament and optimistic outlook, he must possess stamina and sound health.

- 2) **Empathy** : A leader must have the capacity to appreciate others and look at things from his subordinates' angle. This attitude of the leader motivates his subordinates.
- 3) **Self-confidence** : Confidence about one's leadership ability makes it possible for a leader to analyse and face different situations and adopt a style. Lack of self- confidence often prevents managers to adopt participative style and repose trust in his subordinates.
- 4) **Awareness of others' opinion about himself** : A leader having self-confidence should not ignore how others perceive him as a leader. He must be aware of his strength and weakness in relation to his subordinates.
- 5) **Objectivity** : A leader who is effective does not get carried away by emotions. He is fair and objective in his dealings with subordinates.
- 6) **Knowledge and intelligence** : A leader to be effective must have knowledge of group behaviour, human nature, and activities involving technical and professional competence. He must have intelligent perception of human psychology and ability to think clearly and argue cogently on points of dispute.
- 7) **Decisiveness** : Decision-making is a necessary but difficult task for every leader. A leader often has to take initiative and exercise mature judgement while taking decisions. Besides, he has to have foresight, imagination and creative ideas for effective decision making. Open mindedness is yet another essential quality for that purpose.
- 8) **Ability to communicate** : The skill of effective communication of goals and procedure of work is extremely important in leadership. To achieve desired results and coordination of efforts in a group, oral communication is of great significance.
- 9) **Sense of purpose and responsibility** : A leader must have clarity of purpose and responsibility to be able to inspire his subordinates to achieve specific goals.
- 10) **Other qualities** : Enthusiasm, courage, sense of direction, judgement, tact, courtesy and integrity are also regarded as necessary qualities for a leader to be effective.

Check Your Progress B

- 1) Fill in the blanks.
 - i) The primary function of the leader is to develop the work group as a
 - ii) When subordinates at work face problems the leader must act as a
 - iii) Leadership enables group members to achieve as well as goals.
 - iv) The leader-manager's effectiveness depends upon the adopted by him.
 - v) Maximum concern for people and minimum concern for work is known as management.

- 2) Which of the following statements are **True** and which are **False**.
- i) Team management refers to moderate concern of the manager for work and people.
 - ii) A leader provides for a proper system of financial and non-financial incentives for subordinates.
 - iii) The managerial grid represents combination of lower degrees of concern for people and concern for work.
 - iv) Middle of the road management means a passive attitude on the part of manager leader.
 - v) The bureaucratic manager attaches maximum importance to work as well as to people.
- 3) Match the following expressions given in column (A) and (B) by reference to the alphabets and numbers against each.

Column A

Column B

- | | |
|---|------------------------|
| i) Minimum Concern for people & work | a) Executive |
| ii) No Concern for people & work | b) Benevolent autocrat |
| iii) Maximum Concern for people & work | c) Deserter |
| iv) Maximum Concern for work and Minimum Concern for people | d) Bureaucrat |

16.9 LET US SUM UP

Leadership is a process of influencing group activities towards the achievement of certain goals. It is a continuous process whereby the manager influences, guides and directs the behaviour of subordinates to secure willing cooperation of the group. Combination of the managerial and leadership roles in the manager leads to not only effective task performance but also human satisfaction all round.

The trait theory of leadership suggests the success of a leader depends mainly on his personality traits or characteristics. Whereas the behavioural theories of leadership are based on the belief that leaders can be identified by reference to their behaviour in relation to the followers.

In the situational theory of leadership the success of leadership is said to depend upon the situation in which the leader operates. The situational factors which influence leader's effectiveness include leader-follower relations, the task structure and the position power of the leader.

The dominant behaviour pattern of a leader-manager in relation to his subordinates is known as leadership style. There are three basic styles of leadership:

- (1) Autocratic, (2) Laissez faire and (3) Democratic style.

An autocratic leader centralises power and decision-making in himself and exercises complete control over the subordinates. Hence it results in low morale, and decline of productivity in the long run.

In democratic style of leadership decisions are taken by the leader in consultation with members of the group and with their participations in the decision-making

process. It helps subordinates to develop their potential abilities, provides job satisfaction and improves morale. In laissez faire style, subordinates are left to take the decisions and perform their work as they like. Hence there may be chaos and mismanagement under this leadership style.

The functions of a leader manager include : developing teamwork, representing the group and acting as a link with top management, advising and counselling subordinates, managing the time schedule of work performance, using power properly, and securing effectiveness of group effort.

Effective leadership makes a positive impact on the motivation of the members of the work group. The manager-leader may be effective or ineffective depending upon the leadership style adopted by him. The concept of managerial grid helps managers to identify their own leadership style in terms of the degrees of concern for people and concern for work combined in the style.

More effective styles are said to be the following which reflect the manager's orientation : Executive, developer, Benevolent autocrat, and Bureaucrat. Less effective styles are those which are not appropriate to the situation e.g., Compromiser, Missionary, Autocrat, and Deserter.

An effective leader must possess certain qualities like physical and mental health empathy, self-confidence, awareness of his strength and weaknesses, objectivity, knowledge and intelligence, decisiveness, ability to communicate, etc.

16.10 KEY WORDS

Leader	: A person who is capable of influencing the group in its activities.
Leadership	: The process of influencing group activities towards the achievement of certain goals.
Leadership Style	: The dominant behaviour pattern of a leader-manager in relation to his subordinates.
Managerial Grid	: Diagrammatic representation of the possible combination of concern for people and concern for work which may be reflected in the style of leadership.

16.11 ANSWERS TO CHECK YOUR PROGRESS

- A) 1. (i) True (ii) True (iii) False (iv) False (v) True
2. (i) directs and guides (ii) continuous, (iii) group opinion (iv) subordinates (v) task oriented
- B) 1. (i) team (ii) counsellor (iii) individual, organisational (iv) leadership style (v) team
2. (i) False (ii) True (iii) False (iv) False (v) False
3. (i) and (d); (ii) and (c); (iii) and (a); (iv) and (b)

16.12 TERMINAL QUESTIONS

- 1) What do you understand by leadership? How does it differ from managership?
- 2) Enumerate the principal characteristics of managerial leadership.
- 3) Define 'leadership style'. What are the main differences between autocratic, democratic and free rein leadership styles?
- 4) What are the two types of leader behaviour identified in research studies in the State of Michigan and Ohio in U.S.A.? Explain briefly.
- 5) Explain in detail the concept of 'managerial grid' and its purpose.
- 6) Write explanatory notes on :
 - a) Effective and Ineffective styles of leadership
 - b) Functions of leadership
 - c) Qualities of an effective leader
 - d) Trait theory of leadership.
- 7) What is meant by morale? Outline the factors that influence the morale of employees in an organisation. What is the significance of leadership vis a vis morale?

Note : These questions will help you to understand the unit better. Try to write answers for them. But do not submit your answers to the university. They are for your practice only.

UNIT 17 TEAM BUILDING

Structure

- 17.0 Objectives
- 17.1 Introduction
- 17.2 Concept of Team
- 17.3 Types of Team
- 17.4 Team Development
- 17.5 Team Building
- 17.6 Team Effectiveness
- 17.7 Let Us Sum Up
- 17.8 Key Words
- 17.9 Terminal Questions

17.0 OBJECTIVES

After studying this unit, you should be able to:

- discuss the concept of team
- identify various types of team
- describe the process of team development
- explain the team building process
- analyse the effectiveness of team

17.1 INTRODUCTION

In order to achieve the objectives of an organisation, the restoration of conducive work culture is very important. Hence, there is a need to work in a team spirit. Managers who act as a key person at different levels have to coordinate and channelise the efforts of all subordinates and followers in a positive ways. Leaders are responsible for not only to show the way to the subordinates to work as a team/group towards the attainment of goals but they are supposed to lead the group/team as well. P.F. Drucker considers leadership as a human characteristic, which lifts a man's vision to higher rights, raises man's performance to higher standards and builds a man's personality beyond its normal limits. In this Unit, you will learn the concept and types of team, team development, team building and team effectiveness.

17.2 CONCEPT OF TEAM

If you visit an organisation, you will find that most of the activities of the organisation are performed by a group of persons. In an organisation, activities are arranged in such a way that require collective contribution. Every individual contributes for the achievement of a common goal. The individuals interact, collaborate, coordinate and influence among the members. Thus, most of the time individuals work in a team. A team may be defined as **group of two or**

more people who interact and influence the members for the achievement of common goal.

Steven and Mary Ann Von have defined team as “groups of two or more people who interact and influence each other, are mutually accountable for achieving common objectives, and perceive themselves as a social entity within an organisation”. Based on this definition, the characteristics of the teams may be elaborated as under:

- a group of two or more persons
- regular interactions among members
- influence the behaviour of team members
- mutually accountable
- interdependent
- social entity
- achievement of common goal

The frequency of interactions, influence and the nature of task may determine the formation of group, i.e., long-term, short-term, formal, informal, etc.

17.3 TYPES OF TEAM

Formal teams or groups are created deliberately by managers carrying out specific tasks to help the organisation achieve its goals. The most prevalent type of formal group is the command team, which includes a manager and all employees who report to that manager. In some organisations that want to de-emphasize hierarchy, the titles may change.

Another type of formal team is the committee, which generally lasts a long time and deals with recurrent problems and decisions. For instance, your university or college probably has a committee for student affairs to deal with recurring issues that involve students’ lives. While members of this committee may come and go, the committee remains in place over time.

A quality circle is a kind of team. At Reynolds Metal Company’s McCook Sheet & Plate Plant, based in McCook, Illinois, quality circles have been a significant component of a quality programme that has dramatically improved productivity and quality since 1981. In a programme called Cooperative Hourly and Management Problem Solving (CHAMPS), quality circle teams meet for an hour weekly to discuss work- related problems, investigate the causes, recommend solutions, and take corrective action. When a team has completed its investigation and identified a solution, it makes a formal presentation to the plant management and staff. Of the almost 475 solutions offered in the first four years of the programme, almost 400 were approved. The total savings from the ideas has been eight times their cost, a significant amount in a major manufacturing facility where cost control is very important. Over a three-year period, McCook was able to double the pounds of aluminum per employee that it shipped and deliver more than 2,000 items to a specific customer without a single rejection.

Some formal teams are temporary. They may be called task forces or project teams. These teams are created to deal with a specific problem and are usually disbanded when the task is completed or the problem is solved.

Informal teams or groups emerge whenever people come together and interact regularly. Such groups develop within the formal organisational structure. Members of informal teams tend to subordinate some of their individual needs to those of the team as a whole. In return, the team supports and protects them. The activities of informal teams may further the interests of the organisation. Saturday morning games, for example, may strengthen the players ties to each other. A women's group may meet to discuss various actions that can make the organisation a better place for women to work.

For example in 1990, female employees at the telephone giant, NYNEX Corporation, formed mentoring circles to assist women in moving up the corporate advancement ladder. NYNEX women created these informal groups independently and outside management auspices. The groups encourage, recognize, and strengthen the bonds of women at all levels of the company. The NYNEX employees turned to the group format because there was a shortage of female upper-level managers to serve as mentors. However, participants believe the group process is actually better than individual mentoring. In the circles, which have a minimum of eight participants and a maximum of twelve, the mentored women have an increased exposure to different ideas and an increased network.

17.4 TEAM DEVELOPMENT

As you have already learnt that the team is formed as a result of interactions and influence of members who strive for the achievement of common goal. In this process, the team members try to understand others behaviour, realise the appropriateness of the behaviour and the roles of the team members. This is an on going process because the composition of team may keep on changing. The new members may join and the old members may leave the team. Thus, the team members pass through several stages for the development of team. Bruce Truckman has identified five stage model of team development. These are discussed below:

Forming: This is the first stage of team development. In this stage, the members try to explore and understand the behaviour of the team members. They make their efforts in understanding the expectations of the team members. At this stage, they are polite and try to find out how to fit into the team.

Storming: In the second stage, members start competing for status, leadership and control in the group. Individuals understand others behaviour and assert their role in the group. As a result, inter-personal conflict starts. Members try to resolve the issues related to the task and working relations. They also resolve the issues related to the role of the individual in the group.

Norming: The members start moving in a cohesive manner. They establish a balance among various conflicting forces. They develop group norms and consensus for the achievement of the group goal. At this stage, cooperative feelings develop among the team members.

Performing: In this stage, the team makes effort for the performance of task and accomplishment of objectives. The established pattern of relationships improves coordination and helps in resolving conflicts. Members trust each other and extend their full cooperation for the achievement of the group goal.

Adjourning: As you must be aware that the team is formed for some purpose. When this purpose is fulfilled, the team may be adjourned. Thus, the breaking up of the team is referred to adjournment.

Kormanski and Mozenter have identified following stages of team development:

- Awareness
- Conflict
- Cooperation
- Productivity, and
- Separation

17.5 TEAM BUILDING

Team building refers to shaping of the team for smooth functioning. Steven and Mary Ann Von have defined team building as any formal intervention directed towards improving the development and functioning of a work team. Thus, the process of team building aims at enhancing the effectiveness of a team. Pareek Udai has suggested following approaches for team building.

The Johari Window Approach: This approach aims at helping members to express their feelings, opinions, reactions and accept feedback from team members. This enhances their sensitivity towards the team members.

The Role Negotiation Approach: This approach focuses on understanding the expectations of the team members and accommodating their behaviour according to the expectations. This enhances the collaborative effort of the team members.

The Team Roles Approach: This approach advocates that there are certain roles which each team members are expected to perform. Belbin has identified eight roles. They are: Chairman/coordinator, shaper, plant, monitor/evaluator, company worker, resource investigator, team worker and completer/finisher. Smooth performance of these roles brings harmony in the effort of the team members.

The Behaviour Modification Approach: This approach focuses on examining members behaviour towards the team. The individual member evaluates his/her own behaviour and finds out the most suitable behaviour. Now he/she adopts the most suitable behaviour for the performance of the team.

The Simulation Approach: In this approach an artificial team is formed where members interact, discuss, deliberate and learn from other members behaviour. In this situation, the team members learn the most effective way of dealing with the challenges and meet the requirements and the expectations of the team members.

The Action Research Approach: In this approach, the whole range of behaviour is analysed and evaluated.

The researcher interacts with the team members and evaluates their behaviour. The effort is made to find out most suitable behaviour of the team members.

The Appreciative Inquiry Approach: This approach focuses on the identification of positive qualities in the team members. The effort is made to channelise these positive qualities towards the achievements of the team goal.

Pareek Udai has integrated the above approaches and further suggested following approaches for team building which are discussed below:

Projection into Future: In this approach, the team members prepare common vision of the team. Several small teams may prepare their own vision which may be further developed as a broader organisational vision. The team members may be encouraged to make effort towards realising them.

Linkage with Individual Goals: As you must be aware that the building block of the team is individual. Each person has his/her individual goal as well as team goal. Therefore, the individual goal must be integrated with the team goal. This brings harmony in the team effort and enhances the performance of the team.

Force Field Analysis: Several forces influence the performance of the team. Team members are required to analyse these forces and identify the positive forces. These favourable forces are channelised for the achievement of the team goal.

Strengthening Positive Forces: The positive forces are identified and further reinforced. The reinforcement of behaviour motivates the members for making efforts towards the realisation of team goal. This further strengthens the positive behaviour of the team members.

Reducing Negative Forces: In this approach, the forces which inhibit the performance of the team are identified. The efforts are made to remove these negative forces.

Monitoring: The team members chalk out detailed plans and targets to be achieved. The mechanisms for achieving these targets are spelt out. The steps are devised to monitor them at each step. The proper monitoring mechanism facilitates the process of accomplishment of team goal.

While building the team, the managers must take into account those factors which contribute to effective accomplishment of the team goals. The integrated view of the above approaches may provide better insights for enhancing the effectiveness of the team.

Check Your Progress A

- 1) Distinguish between formal team and informal team.

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2) Distinguish between storming and norming.

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3) Enumerate five most suitable process of team building.

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17.6 TEAM EFFECTIVENESS

In an organisation, you may find that some teams are very successful and work effectively than others. The question arises what is team effectiveness? Steven and Mary Ann Von have defined team effectiveness as the extent to which the team achieves its objectives, achieves the needs and objectives of its members and sustains itself over time. This means that the effective team has following parameters:

- The degree to which the objectives of the team are achieved;
- The degree to which the team achieves the needs and well being of its members; and
- The ability of the team to survive.

Steven and Mary Ann Von have suggested following elements of team effectiveness:

- 1) **Organisational and Team Environment:** Organisational and team environment relates to the following elements:
 - Reward System
 - Communication
 - Systems
 - Physical Space
 - Organisational Environment
 - Organisational Structure, and
 - Organisational Leadership

2) **Team Design:** It involves following elements:

- Task Characteristics
- Team Size; and
- Team Composition

3) **Team Processes:** It includes:

- Team Development
- Team Norms
- Team Roles; and
- Team Cohesiveness

Kormasnski and Mozenter have identified following elements which contribute to team effectiveness:

- Members understand and are committed to group goals;
- They are friendly, concerned and interested in others;
- They acknowledge and confront conflicts openly;
- They listen to others and understand them;
- They involve others in the process of decision making;
- They recognize and respect individual differences;
- They contribute ideas and solutions;
- They value ideas and contributions of others;
- They recognize and reward team efforts; and
- They encourage and appreciate comments about team performance.

These are the major elements contributing to the team effectiveness. Moreover, there may be several factors which influence the team effectiveness. Managers are required to make detailed analysis of these factors and find out broader perspectives of the team effectiveness. The proper management and implementation of these elements may certainly improve the effectiveness of the team.

Check Your Progress B

1) What do you mean by team effectiveness?

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2) What is team design?

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3) What do you mean by team processes?
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17.7 LET US SUM UP

Most of the activities of the organisation are performed by a group of persons. In an organisation, activities are arranged in such a way that require collective contribution. Every individual contributes for the achievement of a common goal. The individuals interact, collaborate, coordinate and influence among members. Most of the time individual work in a team. A team refers to a group of two or more persons who interact and influence the members for the achievement of common goal. There may be formal team and informal team in an organisation.

The team members pass through several stages for the development of the team. The stages involved in the development of team are: Forming, Storming, Norming, Performing and Adjourning.

The team building process involves shaping of the team for smooth functioning. The approaches of team building are; The Johri Window, Role Negotiation, Team Roles, Behaviour Modification, Simulation, Action Research, Appreciative Enquiry, Future Projection, Linkage, Force Field Analysis, Strengthening, Positive Forces, Reducing Negative Forces and Monitoring.

The team effectiveness refers to the extent of achievement of objectives of the team as well as the ability of the team to survive. The team effectiveness may be achieved through the creation of favourable organisational and team environment, development of proper team design and team processes.

17.8 KEY WORDS

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|---------------------------|--|
| Team | : Two or more people who interact with and influence of each other towards common purpose. |
| Team building | : Conscious effort to develop effective work groups throughout an organisation. |
| Team development | : Stages through which team members pass for the development of team. |
| Team effectiveness | : Refers to the extent of achievement of objectives of the team as well as the ability of the team to survive. |

17.9 TERMINAL QUESTIONS

- 1) What you mean by team? Discuss the Process of development of team with relevant examples.
- 2) Explain the approaches of team building in an organisation.
- 3) How can you develop effective team in the organisation? Discuss with examples.

Note : These questions will help you to understand the unit better. Try to write answers for them. But do not submit your answers to the university. They are for your practice only.



SOME USEFUL BOOKS

Basu C. R. (2017), Business Organisation and Management, Mc Graw Hill India.

Tulsian. P.C. (Recent Edition), Business Organisation and Management, Pearson.

Gupta C.B. (2018), Business Organisation and Management, Sultan Chand and Sons.

Singh B. P. and T. N. Chhabra, Business Organisation and Management, Dhanpat Rai and Co.



