Focus of Management

Leadership is one of the essential functions that must be performed by all the managers. The success of all the managers largely depends on the capacity to lead their subordinates. However, it is not easier to master the art of leadership.

Definition and Theory

Leadership has different meanings to different persons. But in terms of managing, leadership is the art of leading others towards a goal. More specifically, leadership is the process of influencing others to work enthusiastically to achieve predetermined goals. According to Keith Davis, "Leadership is the ability to persuade others to seek defined objectives enthusiastically. It is the human factor which binds a group together and motivates it towards goals." According to Stoner *et al.,* "Managerial leadership is the process of directing and influencing the task-related activities of group of members."

In the words of Keys and Case, "Leadership is the process of influencing and supporting others to work enthusiastically towards achieving objectives." In the opinion of Weihrich and

Koontz, "Leadership is the art or process of influencing people so that they will strive willingly and enthusiastically towards the achievement of group goals." Thus, leadership is the process and the art influencing the behaviour, attitudes, activities of people to work willingly and enthusiastically towards the accomplishment of group goals.

Following characteristics highlight the nature of leadership:

Leadership is a personal quality of a person. It is a behavioural quality and ability to influence others towards accomplishing a goal. Barnard has very rightly stated that "Leadership is the quality of behaviour of individuals whereby they guide people or their activities."

Leadership is a kind of personal quality. But effectiveness of leadership depends on its application or on performance. Peter Drucker has very aptly remarked, "Leadership has little to do with leadership qualities and even less to do with 'charisma'. It is mundane, unromantic and boring. It is work. Its essence is performance." Leadership presupposes existence of followers. There cannot be leadership without followers. In the words of Koontz and O'Donnell, "The essence of a leadership is followership. It is the willingness of people to follow that makes a person a leader." Thus, effective leader makes his followers to act willingly to achieve the goal. Leadership is a process of influencing and inspiring others to work towards objectives. Influencing means regulating and changing behaviour, attitudes and feelings of others. The means of influencing others include reward, coercion, expertise, reference and tradition. Leaders can also influence with rational faith, participation and persuasion.

Leadership is a continuous process. A leader continuously makes efforts to influence behaviour of his group members. He carries on this process by maintaining free flow of two-way communication with the entire group of his followers. Leadership involves interpersonal relations between the leader and his

group members. A leader influences his group members and at the same time group members also influence the leader. Thus, a leader does not dominate the will of others but tries to relate the wills of many people to get them work as a team.

Leadership is the ability of influencing behaviour of people to work willingly to achieve some common goal. Terry and Franklin state that "It is the activity of influencing people to strive willingly for mutual objectives." Thus, leadership involves of community of interests between the leader and his followers. Leadership is a shared function. A good leader shares everything with his followers. He shares ideas, opinions, experience, credits, blames and so on with his followers. Leading is the function that pervades all the levels and functions of management. Planning, organising, motivating and controlling cannot be performed effectively without effective leadership.

Leadership is a dynamic art. No particular style of leadership is effective in all situations. The effectiveness of leadership depends heavily on the situational variables. Therefore, art of leadership is exercised and applied in accordance with the demands of the situations. Leadership is based on power. A person holding power over others is a leader. By virtue of power, a person is in a position to influence the behaviour of his group members. A leader may derive power from (i) superior knowledge, information experience or performance, (ii) formal authority, (iii) charisma, and (iv) distinct personality characteristics.

Leadership may be formal and informal.

Managing and leadership are not one an the same. But it is not always possible to distinguish between them in practice.

Leadership may be positive or negative.

LEADERSHIP IN MANAGEMENT

Although some people treat leadership and management as synonymous but the two should be distinguished. The major points of distinction between the two are outlined as follows :

Basis of Distinction	Leadership	Management
Meaning	Leadership is the process or art of influencing people to work willingly for achieving a goal.	Management is the process of getting things done through others.
Formal and informal organisation	Leadership exists in both formal and informal organisations.	Management operates only in formal organisations.
Power and Authority	Leadership is based on power. The power may be derived from formal authority or from any other source.	Management is based on authority which is delegated to a managerial position by a person in superior position.
Scope	The scope of leadership is narrower than that of the management. It is only a function of management.	The scope of management is wider than leadership. Management is the process of certain functions including the leading or leadership.
Relationship	There need not be a formal relationship between the leader and his followers.	There is a formal relationship between a manager and his subordinates.

Contd...

Basis of Distinction	Leadership	Management
Structures	Leadership structures are more flexible, open, informal and dynamic than management.	Management is bound by organised formal structures.
Achievement of goal	Leaders achieve goals by influencing and inspiring others.	Managers achieve goals by directing and controlling activities of others.
Guidance	A leader guides his followers through a special kind of behaviour.	Manager guides his subordinates through policies, plans, rules, procedures etc.
Education and Training	There is almost negligible arrangement for formal education and training for leadership.	There are many programmes for formal education and training of management.

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Basis of Distinction	Leadership	Management
Dependence	Leadership does not depend on managership. Hence, all leaders need not be good managers.	Managership includes leadership. Hence, all managers need to be good leaders.
Accountable	Leaders are not accountable for the actions and behaviour of their followers.	Managers are accountable for the actions and behaviour of their subordinates as well as for their own behaviour.
Following	People follow the leader willingly.	Subordinates follow the manager by the force of authority, rules and regulations.
Organisational environment	Leaders try to influence and change the organisational environment.	Managers try to adapt itself according to the organisational
Existence of position	Existence of a leader's position depends on the pleasure of his followers.,	Existence of manager's position is independent of the will of his subordinates. It depends on the terms and conditions of his service.

THE PROCESS

Leadership is a dynamic and constructive force in any organisation. It plays a crucial role in the success and survival of an organisation. It is the crucial factor that helps individuals to identify their goals. Newstorm and Keith Davis have very rightly stated, "Without leadership, an organisation would be only a confusion of people and machines, just as an orchestra without a conductor would be only musicians and instruments. The orchestra and all other organisations require leaders to develop their precious assets to the fullest." Briefly the importance and functions of leadership are as follows:

> A leader plays a crucial role in laying down goals and policies of his group or the institution. He acts as a guide in setting organisational goals and policies.

According to Terry and Franklin, "leaders trigger a person's 'will to do', show the way and guide group members towards group accomplishment." Thus, an effective leader guides and inspires or motivates his group members to work willingly for achieving the goals. He makes every effort to direct and channelise all energies of his followers to the goal-oriented behaviour. He creates enthusiasm for higher performance among his followers.

Morale refers to the attitude of employees towards organisation and management and will to offer voluntary cooperation to the organisation. Morale is an internal feeling of a person. A good leader can arouse will to cooperate among the employees. According to Terry, "Leadership triggers a person's 'will to do' and transforms lukewarm desires for achievements into burning passions for successful accomplishments."

A good leader creates confidence among his group members. He does so by providing guidance, help and support in their day-to day work. He even provides psychological support and infuse the spirit of enthusiasm among them.

A good leader constantly tries to develop team-spirit among his group members/followers. He inculcates a sense of community of interests. He provides a satisfying work climate by harmonising individual and group goals. Thus, a leader reconciles conflicting goals and creates team-spirit among his followers.

It has been rightly said, where there is no vision, people perish. Leader give vision to their followers which, in turn, create initiative and enthusiasm among them. The followers use this vision and initiative to take up challenging tasks.

According to Newstorm and Keith Davis, "Leadership is the catalyst that transforms potential into reality." In fact, effective leadership can transform potential or dream into reality. Leaders can identify, develop, channelise and enrich the potentials existing in an organisation and its people.

A leader represents his group members. He is the connecting link between his group members and the top-management. He carries the views and problems of his group members to the concerned authorities and tries to convince them. Thus, he is in real sense an ambassador and guardian of his group feelings and interests. He also protects the interests of his group members against any outside challenge and threat.

An effective leader can develop and utilise human resource in a most effective way. A leader can influence the activities and behaviour of his followers to contribute their best. In fact, leadership can lift man's vision to higher sights, raise man's standard to higher performance and build man's personality beyond his normal limitations.   *[Peter F. Drucker]*

According to Gordon, "In a world of change and uncertainty, business leader becomes a vital element in the very process of change itself." Thus, leaders can induce and introduce change. They are the instrumental in conceiving and managing change. They introduce change by convincing their followers about the positive effects of the change.

According to McFarland, "Administrative leadership is vital to the survival and effectiveness of organisation." No doubt that leadership plays a vital role in the survival and success of an enterprise. The quality of leadership goes a long way in the success and survival of an enterprise. Without effective leadership, many well established enterprises have miserably failed. Glover has also stated that "most failure of business concerns are attributable to poor leadership than to any other cause."

Leadership is an essential and integral part of management. Effectiveness and efficiency of management largely depends on its leadership qualities. A strong leader can transform a lack lustre organisation into a successful one. Without leadership an organisation is but a muddle of men or machines .... Management activities such as planning, organising etc. are dormant cocoons until leader triggers the power of motivation in people and guides them towards goals.   *[Keith Davis]*

Effective leadership can create work environment in which group members can work with pleasure. For this, the leader creates and maintains interpersonal relations of trust and confidence among the group members. Albanese has stated that "leadership is necessary in organisations in order to create work environments that are productive and satisfying for human beings." An effective leader has qualities to maintain order and discipline in the organisation. He lays down standards of behaviour and sees that his followers follow the same in their behaviour. He shows exemplary behaviour and maintains self-disciple in order to maintain discipline among his followers.

Leaders play crucial role in resolving the conflicts arising in the group. He does it by harmonising the diverse intense interests of group members and the organisation.

It has been widely accepted that a leader should have certain special qualities or traits. A large number of experts have opined about the qualities of an effective leader.

According to Ordway Tead, a leader should have the following qualities :

   (i)   physical and nervous energy,

   (ii)   enthusiasm,

   (iii)   sense of purpose and direction,

   (iv)   technical mastery,

   (v)   integrity,

   (vi)   technical skills,

   (vii)   friendliness and affection,

   (viii)   decisiveness,

   (ix)   intelligence, and

   (x)   faith.

   Terry and Franklin have identified the following qualities necessary for a leader :

   (i)   energy,

   (ii)   emotional stability,

   (iii)   knowledge of human relations,

   (iv)   personal motivation,

   (v)   communication skills,

   (vi)   teaching ability,

   (vii)   social skills, and

   (viii)   technical competence.

   Prof. Robert L. Katz has found that managerial leaders need three kinds of skills :

   (i)   technical skills,

   (ii)   human skills, and

   (iii)   conceptual skills.

   Prof. Ivancevich *et al.* have suggested the following skills as important for managerial leader :

  (i) technical skills,

 (ii) analytical skills,

(iii) decision-making skills,

(iv) computer skills,

 (v) human relations skills.

The skills or qualities of a managerial leader suggested by Katz and Ivancevich *et al.* have already been discussed. A general description of qualities of successful leader is given under the following sub-heads :

> It is rightly said that sound mind resides in sound body. Hence, a leader should have sound health and good stamina to work hard. He should be handsome with charming personality. Such a leader has a lasting impact on the minds of his followers.

A leader should be intelligent. He should have above average level of intelligence. He should be capable of thinking scientifically.

A leader should have self-confidence. He should be fully confident of his actions and decisions.

A leader is, required to have sharp vision and foresight. He should be able to foresee the future trend of events. This quality prepares him for future challenges.

An effective leader is one who has ability to inspire. Hence, he should be capable of influencing people by his ideas, actions and behaviour.

A leader should have ability to communicate effectively. He should be efficient in verbal, written, gestural communication skills.

A leader should be sincere and honest. His integrity should be above doubts. Sincerity and integrity makes a man truthful, high minded and gives him aspirations and high ideals.

[F. W. Taylor]

It has been rightly said "without courage there are no virtues." No faith, hope, aspiration etc. can be transformed into realities without courage and will power. Hence, a leader should be courageous.

A leader should be with flexible and dynamic mind-set. He should be capable of adapting ideas and views in accordance with the needs of the changing situations.

A leader should be capable of keeping his emotions under control. Emotional stability and cool temperament are necessary for a matured leader. Hence, he should remain cool, patient and undisturbed by the happening of unusual and unanticipated events.

A leader should have sound judgement power. He should be a shrewd judge of behaviour, actions and events. He should be able to judge the things judiciously.

A leader should be tactful in dealing with people and situations. He should have a sense of humour. These qualities help a leader to get the things done pleasantly without stress and strain.

A leader should have proper education and knowledge. Particularly, the business leaders should have education at least in the field of accountancy, management, economics. It would be better if he has specialised knowledge in the field of management. Moreover, he should have up to-date knowledge of economic laws, policies and events.

A leader should have and acquire conceptual skills. Conceptual skill is the ability to see the organisation as a whole and the relationships among its sub-units. It also includes the ability to visualise how the organisation fits into its external environment. Such ability helps a leader to understand problems and identify opportunities of the organisation and plan accordingly.

A manager-leader essentially needs to have administrative

skills. He should be able to implement the plans and policies, to organise and to mobilise resources of the organisation in a pragmatic manner.

A leader should possess and develop analytical skills. These include the abilities to understand the things, situations, and problems in a systematic manner. Such skills are needed in evaluating performance, making decisions and handling complex situations.

A leader should have human relations skills. Human relations skills refer to the ability to work well with others. It includes the ability to understand people and their problems and feelings.

A leader should also possess technical skills. Technical skills relate to job knowledge and expertise. These include the ability to apply methods and techniques in performing the job and the ability to provide guidance and instructions to the followers.

VARIOUS SORTS

Leadership style is the general way or pattern of behaviour of a leader towards his followers in order to influence their behaviour to attain a goal. Every leader usually develops his own style of leadership. Hence, style of every leader differs from the other. However, a particular leadership style is affected by the degree of delegation of authority, types of power employed, degree of concern for human relations etc. Thus, there exists different leadership styles. The main styles of leadership are as follows :

1. Autocratic or authoritarian style,

2. Participative or democratic style,

3. Free-rein or *laissez-faire* style,

4. Patternalistic style.

An autocratic leader is one who centralises power and

makes all the decisions himself. He tells his followers what to do and expects to be obeyed without question. Thus, such a leader imposes his will on his followers. This style is typically of a person who accepts McGregor's Theory X assumptions. The characteristics features of such a leader are as follows:

   (i)   He centralises power.
  (ii)   He makes all the decisions himself.
 (iii)   He structures the work of his group members, as far as possible.
 (iv)   He exercises close supervision and control over his group members.
  (v)   He expects to be obeyed by his subordinates without question.
 (vi)   He gets the things done through fear or threats of punishment, penalties and so on.
(vii)   He motivates his subordinates by satisfying their basic needs, through threats of punishment and penalties.
(viii) He believes in maintaining one-way communication *i.e.* from him to the subordinates.

   Autocratic leaders may be of two types :

   (i)   Pure autocrat or negative leader-He is a dictator and makes all decisions himself. He superimposes his decisions on his subordinates. He carries out his decision by coercive or negative power. He uses fear of punishment or penalty to carry out his decisions. Thus, it is a negative leadership.
  (ii)   Benevolent autocrat or positive leader-When an autocrat leader avoids negative coercive power and uses reward power to influence his subordinates, he is called a benevolent autocrat leader. Such a leader shows active concern for the feelings and welfare of his subordinates. He may even encourage their participation in planning but he retains his power to make and execute decisions.

Autocratic leadership has the following advantages :

(i) It provides strong motivation and reward for the leader.

(ii) It permits quick decisions.

(iii) It provides structured work for employees.

(iv) It allows managers to hire less competent subordinates because their principal job is to carry out orders.

(v) It ensures compliance and execution of orders with certainty.

(vi) It permits close supervision and control of subordinates.

(vii) It helps manages to get things done with certainty.

But this style of leadership suffers from the following drawbacks/disadvantages :

(i) It overburdens managers because of centralisation of authority.

(ii) It creates fear and frustration among subordinates.

(iii) It hampers creativity of subordinates.

(iv) It blocks the free flow of two-way communication.

(v) In the absence of consultation and feedback from subordinates, decisions may cost heavily.

(vi) It is disliked by the subordinates specially when it is negative.

In spite of these limitations, autocratic leadership is suitable in the following situations:

(i) Where subordinates are not educated or untrained or incompetent.

(ii) Where subordinates are submissive and do not want to take responsibility.

(iii) Where leaders do not want *to* delegate authority.

(iv) When the organisation endorses fear and punishment as accepted disciplinary techniques.

(v) When achievement of target of performance is urgently required in time.

It is just opposite to autocratic leadership. Participative leaders decentralise authority. Such leaders involve subordinates in decision-making process. Thus, decisions are not unilateral. The leaders and their group members work at a social unit.

They freely exchange their views and express opinions and suggestions. Such leaders exercise control through forces within the group. The main features of democratic leadership are as follows :

   (i) Leader decentralises authority.

  (ii) He involves subordinates in decision-making process. Hence, decisions are not unilateral.

 (iii) He believes in free-flow of two-way communication.

 (iv) He leads by mutual consent.

  (v) He explains the reasons for his actions.

 (vi) He and his, group members work as a social unit.

(vii) He motivates his subordinates through positive means *i.e.* rewards.

Participative leadership offers the following advantages :

   (i) It helps avoid hasty decisions. Hence, it improves quality of decisions.

  (ii) It encourages cooperation between the leader and his subordinates.

 (iii) It motivates subordinates to perform better.

 (iv) It contributes to higher productivity of resources.

  (v) It tends to reduce employee grievances, dissatisfaction and turnover.

 (vi) It facilitates introduction of change.

(vii) It helps create congenial work environment.

(viii) It helps develop future leaders and, thus, promotes organisational stability.

Participative leadership also suffers from the following disadvantages/limitations :

(i) It tends to slow the decision-making process.

(ii) It tends to dilute responsibility for decisions. It may develop a tendency of buck-passing.

(iii) It tends to reduce the role of the leader at the top.

In spite of these limitations/disadvantages, this leadership style is suitable in the following cases:

(i) Where the organisational goals are well set and understood by the subordinates.

(ii) Where leaders really intend to consider the views and opinions of the subordinates.

(iii) Where the workers are reasonably well educated and trained.

(iv) Where the leaders really desire active involvement of subordinates in decision-making process,.

(v) Where sufficient time is available for attaining the objectives.

Free-rein leadership style is one under which leader uses his power very little. The leader gives high degree of freedom to his subordinates in their operations. He depends largely on his subordinates to set their own goals and make their decision regarding their jobs. Thus, such a leader completely delegates his authority to his subordinates and allows them to make their own plans, procedures and decisions. He simply aids his subordinates in performing their job. He exists as a Contact person with the subordinates' external environment.

Free-rein leadership style is permissive and leader least intervenes his subordinates. The leader remains passive observer but intervenes only during the crisis.

Free-rein leadership is suitable where subordinates are highly competent and duty-conscious. It is successful where subordinates are able to train and motivate themselves. However, chaotic conditions may prevail all over the organisation under such leadership.

Free-rein leadership helps subordinates train and develop themselves independently.

A paternalistic leadership is authoritarian by nature. It is heavily work-centered but has consideration for subordinates. Such a leader tends to look after his subordinates the way farther looks after his children. Such a leader helps, guides and encourages his subordinates to work together as members of a family.

This is a personalised leadership. The leader exercises his authority personally. He maintains direct personal contacts with his subordinates. He treats affectionately them like elderly member of a family. The subordinates, in turn, tend to remain submissive and faithful.

Under paternalistic leadership style, subordinates feel force to meet their leader. They also feel job security. Their problems and grievances are sympathetically considered and solved. The issues affecting subordinates' interests are sympathetically addressed. But this leadership style is usually resented and resisted in modern times.

CHOOSING A MANNER

These are the four basic leadership styles identified by the experts. But, in practice, no particular leader's style strictly falls under any of these categories. Moreover, no expert can suggest one best leadership style because leadership style is influenced by several forces/factors. A leader should, therefore, consider the following factors/ forces while choosing a leadership style :

> The forces operating in leader include the (leader's personality) characteristics, qualities and job skills, value system, interaction skills, self- confidence, confidence in subordinates, feeling of security 'and so on.

There are the forces that operate in the group which affect leadership. These include perceptions and attitude of group members towards the leader, toward their tasks and towards organisational goals, characteristics, skills, knowledge, needs and expectations of group members, size and nature of the group and so on.

These are the other impersonal forces in the work environment of leader and his group members. Nature of the job and its technology, organisation structure and authority-relationships, organisational goals, policies, control system, trade unions and their influence, political, economic, cultural and ethical conditions of society.

One leadership theory was developed by Robert Tannenbaum and Warren H. Schmidt in 1958. They modified and refined it in 1973.

Tannenbaum and Schmidt developed a leadership continuum. This continuum depicts a range of leader behaviours. It can be seen from the continuum that they identified, variety of leadership styles (seven styles shown) ranging from highly boss centered to highly subordinate centered.

On the extreme left of the continuum, leader behaviour is characterised by exercise of high degree of authority over subordinates. Such leadership style is regarded as boss-centered or authoritarian style. On the extreme right side of the continuum, leadership is subordinate-centered or democratic style. There are many other styles in between these two extremes. These styles vary with the degree of freedom a leader grants to his subordinates.

Tannenbaum and Schmidt instead of suggesting a choice between the authoritarian and democratic styles of leadership offered a range of styles. They emphasised that no one particular style is always right or no other is always wrong.

The two extreme ends of the continuum have been referred as manager power influence and non-manager power influence. In moving from left to right, less and less authority is used by the leader (manager) and more and more freedom is allowed to subordinates in decision-making. In between the two extremes, five more leadership styles have been shown. All the seven styles of leader behaviour are as follows :

> It is the extreme form of autocratic leadership where by the leader/manager is able to take decisions and subordinates are bound to accept and implement the decisions without any modification.

In this kind of leadership, the leader (manager) takes decisions and persuades the subordinates to accept them.

Under this style, the leader/manager arrives at the decision and asks his subordinates to express their views on it. The leader responds to the questions of his subordinates.

In this case leader (manager) takes a tentative decision and review it in the light of the suggestions/views expressed by subordinates.

In this kind of leadership, leader (manager) presents problems and takes decision after hearing the views/suggestions from the subordinates.

Under this style, the decision is taken by the group subject to the limits set by the boss.

In this kind of leadership, leader/manager and subordinates jointly make decisions within the limits defined by superior.

Tannenbaum and Schmidt believed that there is one best style of leadership for all situations. Hence, selection of leadership

style depends on the demands or forces of the situation. These forces include the following :

(i) The forces operating in the Leader's/Manager's personality, such as his education, knowledge, experience, value system, confidence in subordinates etc.

(ii) The forces in subordinates such as their background, education, experience, values, willingness to assume responsibility.

(iii) The forces in the situation such as size, complexity, goals, structure, climate, values, traditions of the organisation, nature of work, technology used.

Tannenbaum and Schmidt revised the model in 1973 and emphasised that organisational environment and societal environment greatly influence the leadership style. According to them trade union movement, consumer civil rights movement etc. are the important organisational and societal forces which influence leadership style. These forces challenge the rights of managers/leaders to make decisions or deal with their subordinates. They cannot make effective decisions without considering the interests of the groups outside the organisation.

Main Systems : Prof. Rensis Likert and his associates at the University of Michigan have studied the patterns or styles of leaders. In the course of this research, Likert has developed four systems/styles of leadership that exemplify different behavioural aspects of leaders. They are as follows : System 1: Exploitative-authoritative leadership System 2 : Benevolent- authoritative leadership System 3 : Consultative leadership System 4 : Participative group leadership.

System 1 : Exploitative-authoritative-System leadership is described as "exploitative-autocratic or authoritative." In this kind of leadership system, leaders/ managers are highly autocratic. They have little confidence and trust in subordinates.

They motivate subordinates mainly through fear and punishment. They rarely or occasionally reward them. They make all decisions. They mostly use downward communication and have little interaction with subordinates. Likert found that productivity under this system is mediocre.

System 2 : Benevolent-authoritative-Under this system style of leadership, leaders have patronising confidence and trust in subordinates. Leaders take a very paternalistic attitude. Managers make decisions but subordinates have some degree of freedom in doing their job. Leaders motivate subordinates with rewards and also through some fear and punishment. They permit some upward communication and solicit some suggestions and ideas from subordinates. Under this system, productivity ranges from fair to good.

System 3 : Consultative leadership-In this style of leadership, leaders/managers have substantial but not complete confidence and trust in subordinates. Leaders consult their subordinate managers before setting goals and making policy decisions. However, operating decisions are made at lower levels in the organisation. Subordinates have considerable degree of freedom in making decisions about their job. Leaders usually try to make use of subordinates ideas and suggestions. They tend to use rewards for motivation with occasional punishments. Leaders usually tend to rely on two-way communication.

System 4 : Participative group leadership-Participative group leadership style is the Likert's recommended style of leadership/management. Likert considered it as the optimal style of leadership in our educated and dynamic society.

In this style of leadership, leaders/managers have complete trust and confidence in subordinates. They extensively interact with subordinates. They always try to get and use ideas and suggestions from subordinates.

Thus under this leadership style, the whole group participates in the process of establishing goals and making job related decisions. Leaders tend to give economic rewards on the basis of group participation in goal-setting and decision-making and evaluation of performance on jobs. They tend to engage in free flow of down-ward, up-ward and horizontal communication. They encourage decision-making across the organisation. Likert's 4 system management leadership is shown in the table given here.

Likert found that managers who applied the system 4 style to their operations had the greatest success as leaders. Likert, therefore, stressed that all leaders should strive towards a system 4 style if they want to maximise the quantity and quality of performance from subordinates.

Theories and Practices : Several theories of leadership have been developed by management theoreticians. These theories may be classified into three categories :

  I. Personality theories

  II. Behavioural theories

  III. Situational or contingency theories

Personality theories are theories that focus on the personal qualities or traits of leaders. Such theories include the following: (A) Great man theory, and (B) Trait theory

Great Man Theory of Leadership : Great man theory of leadership claims that "leaders are born, not made". This theory asserts that great leaders are born with necessary qualities. Leadership qualities are inherited or carried in genes. Leadership qualities cannot be acquired or developed through formal education and training. Supports of this theory usually prove its validity by drawing examples from the great leader such as Mahatma Gandhi, Pt. Nehru, Abraham Lincoln, Napoleon and others. They were born as leaders, it is asserted. Thus, the great man theory emphasises and implies the following things :

   (i) Leaders are born and not made. Leaders are gifts of God to mankind.

  (ii) Hence, every person cannot aspire to become a leader.

 (iii) Qualities of leadership are inherited or carried in genes from generation to generation.

 (iv) The inborn leadership qualities alone are necessary and sufficient for an effective leader.

  (v) Leadership qualities cannot be acquired or developed through formal education and training.

 (vi) Leadership qualities and effectiveness are independent factors. Hence, situational factors like the nature of followers, demands of the job, and the environmental factors have little or no effect on leaders effectiveness.

The theory has some credibility to the extent that leaders have certain mystic and their followers can realise them. Hence, qualities and actions of such leaders influence and inspire their followers at least to a limited extent. But this theory has been criticized and rejected by many experts for the following reasons:

   (i) This theory does not have scientific basis and has no empirical validity. It does not provide a logical explanation of why, how and when an effective leader is born. It is more of a matter of chance that some great leaders were born with leadership qualities.

(ii) This theory does not prescribe the set of essential qualities of a great leader.

(iii) There is nothing inborn leadership qualities. Inborn leaders are imaginary characters.

(iv) This theory is also based on absurd belief that leadership is not affected by the situational/ environmental variables.

(v) Leadership qualities can now be acquired and developed through education and training.

(vi) Leadership qualities alone are not necessary to become a successful leader. Competence to deal with situational variables is considered a most essential leadership quality.

It is a matter of fact that Great man theory is totally rejected by most of the modern theorists.

Trait Theory of Leadership : Trait theory of leadership is a modified version of the Great man theory. According to this theory leadership is largely a function of certain traits or qualities. This theory states that there are certain unique traits or qualities essentials for a successful leader. Any person who wants to be a successful leader must possess those traits. This theory also emphasises that these traits need not necessarily be inborn but may be acquired through education, training and practice. The trait theorists have identified a long list of traits related to leadership qualities. Stogdill found the following traits :

1. Five physical traits such as energy appearance and height.

2. Four intelligent and ability traits.

3. Sixteen personality traits such as adaptability, aggressiveness, enthusiasm and self-confidence.

4. Six task related traits such as achievement drive and initiative.

5. Nine social traits such as cooperativeness, interpersonal skills and administrative ability.

Edwin Ghiselli has identified thirteen traits which included eight personality traits and five motivational traits. The personality traits include :

   (i)   intelligence,

  (ii)   initiative

 (iii)   supervisory ability,

 (iv)   self-assurance,

  (v)   affinity for working class,

 (vi)   decisiveness,

(vii)   masculinity-feminity, and

(viii)   maturity.

The motivational traits include :

   (i)   need for occupational achievement,

  (ii)   self-actualisation,

 (iii)   power,

 (iv)   high financial reward, and

  (v)   job security.

Of these 13 traits, Ghiselli found the following six to be very important leadership traits :

   (i)   supervisory ability,

  (ii)   need for occupational achievement,

 (iii)   intelligent,

 (iv)   decisiveness,

  (v)   self-assurance, and

 (vi)   initiative.

Thus, trait theory is a simple theory. It simply describes the qualities which a person must possess in order to become a successful leader. It, therefore, helps persons to develop such leadership qualities. It is also useful for those who train and

develop leaders. But this theory is criticised for its following limitations :

   (i) Trait theory is not based on scientific or systematic research. It is only a descriptive theory which states how some persons emerge as leaders. It does not offer any explanation why leaders emerge.

  (ii) It offers a painfully long list of traits. Moreover, there is no universally acceptable list of traits for a successful leader.

 (iii) It fails to state which set of traits are more important for leaders than others.

 (iv) It does not highlight the traits which are necessary for acquiring leadership and which are necessary for nurturing and maintaining leadership.

  (v) It fails to highlight the traits which may clearly distinguish leaders from followers.

 (vi) This theory does not provide a method of measuring traits in a person.

(vii) It does not consider the whole leadership environment which determines the success of a leader. In other words, it fails to consider situational and environmental factors which determine the success of a leader.

(viii) It does not consider the fact that different roles and positions require different traits. Leaders at higher level more require conceptual skills where as the leaders at lower level more require technical skills. Similarly, leaders at middle level more require human relations skills.

The personality theories focus on who the leaders are (Great man theory) or what the leaders are (Trait theory). Behavioural theory, on the other hand, focuses on what the leaders do *i.e.* on the actual behaviour of the leader.

Thus, behavioural approach of leadership attempts to emphasise actual behaviour or dimensions of behaviour in order

to identify leadership. It is based on the premise that effective leadership is the result of effective behaviour of the leader. Hence, success of leadership depends on the behaviour of the leader and not on his traits.

A particular behaviour pattern of a leader (functional behaviour) makes him a successful leader and its opposite (dysfunctional) would reject him as a leader. The functional dimension of leader's behaviour include setting goals, motivating employees towards achievement of goals, making effective communication and interaction, building team-spirit etc. The dysfunctional dimensions of leader's behaviour include inability to accept subordinates' ideas, poor communication and ineffective interaction with employees, poor human relations and so on.

This approach asserts that favourable or functional dimensions of behaviour of leader provides greater satisfaction to his subordinates and hence, they recognise him as their leader. However, this approach recognises the fact that a particular behaviour of a leader may be effective only at a particular point of time and may be ineffective at other times.

Behavioural approach to leadership assumes that a leader uses conceptual, human and technical skills to influence and lead his subordinates. Several attempts have been made to identify the basic dimensions of leadership behaviour. The most systematic and comprehensive research studies include the studies by Lickert, Blake and Mouton, and studies at Ohio State University and University of Michigan.

Behavioural approach to leadership is an improvement over the personality approach. It identifies the behavioural dimensions of leadership that may contribute to the success of a leader.

But this approach does not use scientific tests. It uses questionnaire, observation and interviews to identify dimensions of behaviour. Hence, behaviour dimensions cannot be measured objectively.

Personality theories hold that a leader can be successful if he has certain traits. Behavioural theories, on the other hand, hold that a leader can be successful if he behaves in a particular manner. Thus, both the personality and behaviour theories ignore the effects of situational factors on leadership. The situational approach of leadership emphasises that emergence and success of a leader is largely determined by situational factors apart from the traits and behaviour of the leader himself.

The focus of the situational approach is on the behaviour of a leader in a particular situation and not on the traits or qualities of the leader. This approach stresses that a leadership behaviour which is effective under one particular situation may be ineffective under the other. If a leader behaves in the same manner under all situations, he may fail.

Thus, situational leadership approach states that leadership is strongly affected by the situations under which a leader works. These situations are created by the following forces :

  (i)   Forces in the leader.

 (ii)   Forces in the subordinates.

(iii)   Forces in the situation.

There are several different situational models of leadership have been developed. Fildler's contingency model, Path-goal model, Blanchard's model etc. are some of the well-known situational leadership models.

PROMOTING FACTORS

William F. Glueck has rightly stated that "motivation is concerned with why people work hard and well or poorly." In fact, motivation is said to be the cause of behaviour. It is the cause what makes people to do things. It is the main spring of action in people. A manager has to find out and understand the cause of particular type of behaviour of his subordinates in order to get the things in the best possible manner.

DEFINITION AND PERCEPTION

The term motivation is derived from 'motive'. The term 'motive', implies action to satisfy a need. The need, desire, drive, want, motive are often used interchangeably by the psychologists. Any motive, need, drive, desire or want prompts a person to do something. It is, therefore, said to be the mainspring of action in people. Thus, motivation simply means the need or reason that makes people to do some work or to take some work. For instance, a person needs respect from others. It makes him to do outstanding work. Consequently, he gets praise, recognition, higher pay, promotion and so on. Ultimately he gets respect from others in the family as well as in society. According to Dale S. Beach, "Motivation can be defined as a willingness to expend energy to achieve a goal or a reward."

In the words of William G. Scott, "Motivation means a process of stimulating people to action to accomplish desired goals."

In the opinion of M.J. Jucius, "Motivation is the act of stimulating some one or oneself to get a desired course of action."

According to McFarland, "Motivation refers to the way in which urges; drives, desires, aspirations, strivings, needs direct control or explain the behaviour of human beings."

According to Terry and Franklin, "Motivation is the need or drive within an individual that drives him or her towards goal-oriented action."

In the words of Mondy *et al.,* "Motivation may be defined as the willingness to put forth effort in the pursuit of organisational goals."

In the words of Mescon *et al.,* "Motivating is the process of moving oneself and others to work towards attainment of individual and organisational objectives."

According to Kreitner, "The term motivation refers to the

psychological process that gives behaviour, purpose and direction."

In the words of Robbins and Coulter, "Motivation is the willingness to exert high levels of effort to reach organisational goals, conditioned by the effort's ability to satisfy some individual needs."

In the words of Fred Luthans, "Motivation is a process that starts with a physiological or psychological deficiency or need that activates behaviour or a drive that is aimed at a goal or an incentive."

Thus, motivation is the need or reason that makes people to work or to take action. It includes the processes and forces in an individual that influence or encourage him to act or not to act in particular ways. It arouses or energises the willingness to put in effort in a particular direction.

Following characteristics of motivation highlight the nature of motivation :

> Motivation is internal feeling of an individual. It points out the energising forces within an individual that direct or influence him to behave in a particular way.

Motivation is a continuous or never ending process. It is so because human needs, desires, wants or wishes are endless. All of them can never be satisfied simultaneously. Satisfaction of one need gives size to another need. Therefore, motivation process goes on forever.

Motivation is a dynamic and complex process. It is so because it relates to human behaviour which is never static but dynamic. It keeps on changing continuously.

The concept of motivation is mainly psychological. It relates to those forces operating within the individual employee which impel him to act or not to act in certain ways.   *[McFarland]*

Motivation refers to the way in which urges, drives, desires,

inspirations or needs direct, and explain the behaviour of human beings.   *[McFarland]*

It is the psychological process that gives behaviour, purpose and direction.

Motivation is the willingness of an individual to exert effort in the pursuit of organisational goals and to satisfy some individual needs.

Motivation is system-oriented. It is the system that contains three main factors : (a) factors operating within an individual *i.e.* his needs, aspirations, wants, wishes, values etc.; (b) factors operating within the organisation such as organisation structure, technology, physical facilities, work environment etc.; (c) factors operating in the external environment such as customs, norms of society, culture etc. Motivation is the result of interaction among these factors.

Motivation is a need-satisfying process. An unsatisfied need creates tension that stimulates drives within an individual. These drives, generate a search behaviour to find particular goals that (if attained) will satisfy the need and reduce tension.

[Robbins and Coulter]

Motivation is the process that energises or encourages individuals to put in effort to achieve organisational goals and to satisfy their needs.

Motivation can be positive or negative. Positive-motivation implies use of incentives such as increase in pay, reward, promotion, and so on for better work. Negative motivation, on the other hand, means punishment and penalties such as reprimands, threats of demotion, fear of loss of job etc.

Every individual is an integrated whole in himself. Therefore, whole individual can and should be motivated. A part of the individual cannot be motivated. It is so because motivation is a psychological concept that is concerned with the whole individual.

A frustrated individual cannot be satisfied and motivated. In other words, an individual who is unable to satisfy his basic needs becomes frustrated. Such an individual cannot be motivated until his such needs are satisfied.

It is true that both motivation and morale relate to individual and group psychology. But distinction is made between the two terms. Firstly, motivation is the reason what makes an individual to do work. It consists of forces and procedures that direct or influence an individual's behaviour. On the other hand, morale is individual's or group's attitude and feelings about his work and work situation. It is a resultant state encompassing the willingness to cooperate. Secondly, motivation is an individualistic concept whereas morale is a group concept. Thirdly, motivation is the result of satisfaction of needs, desires, aspirations etc. whereas morale is the result of good motivation.

Motivation is different from job satisfaction. Job satisfaction is the positive emotional attitude of an individual towards his job resulting from his job performance and job situation. It is a psychological contentment which an individual experiences from the factors associated with the job. Motivation, on the other hand, is the result of job satisfaction as well as individual's needs satisfaction.

Necessity and Enforcement

Motivation is regarded as one of the most important functions of management. Importance of motivation can hardly be over-emphasised. Highly motivated people can make things happen in organisations. On the other hand, poorly motivated people can nullify the sounded organisations.   *[Allen]*

The importance of motivation is summarised in the following points :

> In the words of Clarence Francis, "You can buy a man's time and physical presence but you cannot buy enthusiasm, initiative and loyalty. You have to

earn these things." These can be earned through the process of motivation. Effective motivation system inspires employees to do work or to take action. It prepares them to do their work with full devotion. It creates willingness among the employees to perform their work with great enthusiasm, zeal and loyalty.

Highly motivated employees perform better and higher as compared to the employees with low level of motivation. Motivation is the mainspring of performance. Without motivation, the other contributors to performance become rather irrelevant.

[Gray and Smeltzer]

Motivated employees can use their skills and organisational resources more efficiently and effectively. This ultimately results in higher productivity of all the resources of the organisation. David Holt has rightly remarked that "productivity is achieved through excellence and excellence is achieved by having an organisation of highly motivated individuals."

A proper motivation system is key to the effectiveness of all managerial functions. Effectiveness of all managerial functions will go for naught if employees cannot be motivated to fulfill their responsibilities. Planning and organising cannot be successful if the employees are not properly motivated.

Motivation is core of management. Through motivation, managers encourage employees to direct their energies for achieving organisational goals. Thus, motivation helps achieve organisational objectives. Brech has rightly stated that "the problem of motivation is the key to management in action; and in its executive form, it is among the chief tasks of the general manager. We may safely lay it down that the tone of an organisation is a reflection of the motivation from the top."

Motivation help develop human resource in an organisation. Through motivation, employees can be directed to enlarge their job skills. In order to maintain a continual reservoir of well trained and highly motivated employees, a sound motivation

system should be in place. A sound motivation system ensures proper supply of motivated human resource. Such a system in an organisation can also ensure the satisfaction of needs and aspirations of individuals. Thus, it can attract and retain satisfied human resource in the organisation.

Morale refers to the attitude and feelings of employees about their work and work situation. Through motivation, employee attitudes and feelings towards work can be improved. This in turn boosts employee morale. A proper motivation system promotes close ties between the enterprise and its employees. Employees begin to feel that enterprise belongs to them. Hence, employees become more concerned about the well being of the enterprise.

Satisfied employees tend to stay longer and remain regular in the organisation. This, in turn, reduces employee turnover and absenteeism.

It is a research based fact that properly motivated employees are more receptive to new things and ready to accept change. This attitude facilitates introduce change and keep the organisation on the path of progress.

Motivated employees concentrate on finding new and more effective ways of doing a job and utilising resources. Poorly motivated employees usually avoid work and misuse resources. Thus, effective utilisation of resources largely depends on the level of employee motivation.

A good motivation system creates congenial work environment and job satisfaction. Employees tend to work with cooperative spirit and in a disciplined manner. Management also offers them better wages and incentives. Hence, chances of conflict are greatly reduced. All this leads to better industrial relations. An organisation with motivated staff commands reputation in the business world and the society. Such organisations can easily obtain talented persons whenever the need arises.

Motivated employees can innovate and develop new technology and products for the organisation. There are many organisations where talented employees carry on research regularly and innovate.

They develop new technology and products which are essential for the well-being of the organisation and the society as a whole.

There are several theories of motivation. A few important theories are as follows :

    I.   Maslow's need hierarchy theory.

   II.   McGregor's theory X and theory Y.

  III.   Herzberg's two-factor theory.

  IV.   William Ouchi's theory Z.

   V.   McClelland's achievement theory.

  VI.   Vroom's expectancy theory.

 VII.   Adam's equity theory.

First four theories have been described in this chapter.

A.H. Maslow, a noted psychologist, propounded the need hierarchy theory of motivation. It is one of the best known theories of human motivation. According to Maslow, within every human being there is a hierarchy of five needs which are as follows:

1.   Physiological needs.

2.   Safety needs.

3.   Social needs.

4.   Esteem needs.

5.   Self-actualisation needs.

Physiological needs are concerned with the basic biological functions of the human body. These needs relate to the essentials for survival. These include the needs for food, water, clothing,

shelter, rest, sexual satisfaction, recreation etc. These needs are inherent in the nature of a human body.

Physiological needs are the most powerful motivators as no human being can survive without them. These needs are at the lowest level in the hierarchy of needs. Hence, these needs have to be satisfied before higher level needs can be pursued. Therefore, an extremely hungry person can never think for things other than food. He dreams food, remembers food, perceives only about food and wants only food. Freedom, love, and respect are useless since they fail to fill his stomach.

[A.H. Maslow]

Safety needs are concerned with protecting the person from physical and psychological harm as well as the assurance that physiological needs will continue to be met. These include the needs of job security, economic and social security, *e.g.* pension, insurance etc. There needs can be satisfied by making provisions for pension, group insurance, provident fund, gratuity, safe working conditions, job security and so on. Safety needs begin to doormat when the physiological needs of a person are fairly met.

Social needs relate to the desire to have social interaction, friendship, affiliation belongingness with groups, acceptance, affection, support from others and so on. Such needs become motivators when physiological and safety needs have been fairly satisfied.

Self-esteem needs constitute the fourth level in the hierarchy of needs. These needs arise when physiological, safety and social needs have been fairly satisfied.

According to Maslow these needs are of two types :

(i) Need of self-respect or self-esteem, and

(ii) Needs for esteem from others or public esteem.

Self-respect means the respect in the eyes of oneself. Self respect needs include the needs for self-confidence for

competence, for independence and freedom, for achievement, and personal strength. Esteem from other means the respect or image in the eyes of others. The needs of esteem from others includes the needs for prestige, recognition, acceptance, attention status, reputation and appreciation from others.

The four needs described above motivate people by their absence. In other words, when people feel lack of food, clothing, shelter, security, social relationships, self-respect and respect from others, they are motivated to do something or take action. But self- actualisation needs are the needs and aspirations for growth. Such needs motivate people by their presence.

Self-actualisation needs concern the needs for maximising the use one's skills, abilities, potential to become everything that one is capable of becoming. Such needs relate to realisation of one's full potential for development growth arid fulfilment. This category of needs is placed at the apex of the 'need hierarchy' and hence are the highest level of needs.

It is pertinent to note that self-actualisation need is a distinct one. Each person's journey towards self-actualisation is distinct and unique. Therefore, every person finds his own ways for satisfying such needs.

Maslow's need hierarchy theory is based on the following propositions or assumptions:

1. A man is perpetually wanting animal. As soon as one of his wants or needs is satisfied, another appears in its place. This process goes on in every one's life.

2. An unsatisfied or fresh need motivates influences behaviour. Satisfied needs are..........................

3. Needs can be arranged in an order or a hierarchy.

    In this hierarchy, physiological needs are at the lowest and most basic. These needs are followed in ascending order by the safety needs, social needs, esteem needs and self-actualisation needs.

4. There is always a sequence of emergence of needs. Higher level needs do not emerge or motivate unless all lower level needs have been fairly or minimally satisfied.

5. Higher level needs can be satisfied in more than one ways. But the ways to satisfy lower level needs are very limited.

6. Maslow separated the five needs into higher-level needs and lower-level needs. According to him physiological and safely needs are lower-level or lower-order needs whereas social, esteem and self- actualisation needs are higher level needs. Maslow believed that lower-level needs are mainly satisfied externally whereas the higher-level needs are satisfied internally.

7. The first four needs (physiological, safety, social and esteem needs) motivate people by their absence. In other words, when people feel a lack of food, clothing, sex, security, social relationships, respect etc., they are motivated to work. But self-actualisation needs motivate people by their presence.

8. Maslow believed that no need is ever fully satisfied. Needs can be largely or substantially satisfied.

For motivating someone, a manager should understand that person's level of need in the hierarchy and focus on satisfying needs at or above that level. It is the job of the manager to lift employees from lower-level needs to higher level needs. Maslow's need-hierarchy theory is best-known theory of motivation. It has received a wide recognition. It has been highly appreciated on the following grounds :

1. It is a logical theory because it recognises that an individual do something to fulfil his diverse needs.

2. It clearly states that satisfied needs are not motivators. Therefore, managers can easily concentrate on unsatisfied needs of their subordinates.

3. It clearly states that a person advances *to* the next level of the need hierarchy only when the lower level need is minimally or fairly satisfied.

4. It offers useful ideas for understanding human needs and ways for satisfying them.

5. It helps to find out the reasons that influence behaviour of a person. Thus, it explains the reasons why people behave differently even in the similar situations.

6. It is a dynamic model because it presents motivation as a constantly changing force. It considers that every individual strives for fulfilment of fresh and higher-level needs.

7. It is a positive theory. It assumes that man is a healthy, good and creative being, capable of working out his own destiny.

8. It is a simple and humanistic theory.

9. It is based on reasonable assumption and has been substantiated by several research studies.

Maslow's theory suffers from the following limitations :

1. It is a simplistic theory and cannot be tested and validated in practice. It lacks empirical testing. It is difficult to interpret and analyse its concepts.

2. Maslow's theory is based on a small sample of subjects. It is a clinically derived theory which may not be accurate in real life.

3. Some criticise on the ground that hierarchy of needs does not exist. Individuals unlikely to behave in such a neat, step-by-step manner while perceiving and satisfying their needs. Moreover, all the needs are present at a given time. For instance, an individual motivated by self-actualisation needs also has the physiological needs. Hence, the need hierarchy is artificial and arbitrary.

4. Need hierarchy may not be the same among all the

employees. Generally, socially, culturally and economically advantaged employees have higher-level needs whereas the socially and economically disadvantaged employees have lower-level needs.

5. There are some who argue that there is no evidence that a satisfied need is not a motivator.

6. Similarly, there is no evidence that satisfaction of one need automatically activates the next need in the hierarchy.

7. Human beings are not motivated by their needs alone but also by many other things. Therefore, it is doubtful weather deprivation of a need motivate an individual.

In spite of these limitations, the need hierarchy theory of motivation is important because of its rich and comprehensive view of the needs. The theory is relevant because need hierarchy helps managers to understand the behaviour of people. In the words of Fred Luthans, "The theory does make a significant contribution in terms of making management aware of the diverse needs of humans at work. The number or names of the levels are not important, nor is the hierarchical concept. What is important, is the fact that humans in the work-place have diverse motives."

CONCEPT OF TWO FACTORS

During the late 1950s Fredrick Herzberg, a US behavioural scientist (psychologist), and his associates developed two factor theory of motivation. This is also known as the 'Motivation-Hygiene theory'. This theory is based an empirical research on job attitudes of 200 engineers and accountants of a company. The researchers asked two questions from those two hundred employees:

(i)   "Can you describe, in detail, when you felt exceptionally good about your job ?"

(ii) "Can you describe, in detail, when you felt exceptionally bad about your job ?"

They were all asked to describe the conditions that had led to those feelings.

Herzberg analysed the responses and revealed that factors which made respondents feel good were totally different from those which made them feel bad. Herzberg grouped those responses in two categories :

(i) Hygiene factors or maintenance factors,

(ii) Motivators or satisfiers.

These are described in the table given below :

Herzberg's Hygiene Factor and Motivators

Hygiene Factors	*Motivators*
* Company policy and administration	* Achievement
	* Recognition
* Working conditions	* Advancement
* Job security	* Responsibility
* Salary	* Personal growth
* Quality of supervision	* Opportunities
* Interpersonal relations with superiors, co-workers and subordinates.	* Work itself

Hygiene factors or maintenance factors are related to the job environment. There are eight factors : working conditions, job security, salary, quality of supervision, company policy and administration, interpersonal relation and fringe benefits. Presence of these factors in job environment is essential if a reasonable level of satisfaction in employees is to be maintained.

The absence or deficiency in these factors can cause dissatisfaction. The presence of these factors is necessary to avoid dissatisfaction and pain in the work environment. These factors do not motivate employees.

According to Herzberg, there are six motivators or motivation factors : achievement, recognition, responsibility, advancement, personal growth and the nature of the job itself. Adequacy of these factors make employees satisfied with their job and consequently motivate them. Their absence, however, rarely dissatisfies or demotivate the employees.

According to Herzbergs job satisfaction and job dissatisfaction are not opposites of each other. Absence of job dissatisfaction does not mean presence of job satisfaction. Satisfaction is achieved through motivators and dissatisfaction results from absence of adequate hygiene factors.

Therefore, managers should maintain adequate amount of hygiene factors in order to avoid dissatisfaction among employees. On the other hand, managers must ensure adequacy of motivating factors in order to motivate employees. However, presence of hygiene factors is essential for creating favourable frame of mind for motivation. The merits or contributions of Herzberg's theory are summarised as follows :

1. It clearly distinguishes between the factors that motivate employees on the job and the factors that maintain employees on the job. In other words, it clearly states that the presence of hygiene factors is necessary in order to avoid dissatisfaction in employees. On the other hand, the presence of motivation factors is essential to motivate employees. Thus, both the groups of factors have different roles to play.

2. It recommends specific measures (*i.e.* motivators) to improve motivation levels.

3. It helps in understanding the effect of job content on motivation of employees.

4. It explains the significance of job enrichment on the job redesign and motivation.

5. It is a rational approach to motivation.

It clearly explains that the factors which cause job dissatisfaction are different from the factors which cause job satisfaction. In other words, absence of job dissatisfaction is not the presence of job satisfaction.

Hence, presence of maintenance of hygiene factors avoid dissatisfaction in employees but does not cause satisfaction. Similarly, presence of motivators cause satisfaction and motivation.

Though Herzberg's theory of motivation has gained widespread popularity among managers and management educators, it suffers from the following limitations :

1. It is alleged that research base was very narrow and was not representative enough to make justified generalisations.

2. It is difficult to distinguish job-context factors from the job-content factors. In many cases, job context factors have elements of job-content factors. Moreover, for some individual job content factors, *i.e.,* motivators have no significance because their job-related aspirations are very limited.

3. Sometimes in real life situations, there is no direct cause and effect relationship between satisfaction and performance. Many employees are satisfied with their job but their performance is not high.

4. The methodology used by Herzberg is sometimes questioned. Since raters have to make interpretations, different raters may have interpreted the responses in different ways.

5. It explains the reasons of job satisfaction and dissatisfaction. Thus it is, in fact, not a theory of motivation.

6. Not all the measures of satisfaction have been explored and utilised.

7. It ignores the impact of situational variables on motivation.

8. Herzberg assumes that there is a relationship between satisfaction and high performance. But in his research work he looked only at satisfaction and not at performance or productivity, *[Robbins]*

9. As a matter of fact, two factors are not distinct. Both hygiene factors and motivators may cause satisfaction and dissatisfaction.

10. The theory lays much emphasis on motivators and ignores the impact of hygiene factors on motivation.

Despite these limitations/criticism Herzberg's theory has made significant contribution to the manager's understanding of employee motivation. This is a valuable insight into employee motivation.

A careful study and analysis of these two models would suggest that they are not very much different from each other. Rather there are marked similarities between the two. The similarities between the two are as follows :

1. Both the models are content model. They focus on identifying needs that motivate people to do something.

2. Both the models assume that needs are the driving force that cause a person to do something.

3. Both the models fail to explain individual differences in motivation.

4. Both the models consider the similar needs. Herzberg's hygiene factors correspond to the Maslow's lower-level needs *i.e.* physiological safety and security needs.

5. Both tend to over simplify the motivation process.

6. Both emphasize the same set of relationships.

7. Both deal with the same problem.

Distinction Between Maslow's And Herzberg's Models

In spite of many similarities, the two models differ on the following counts :

Basis of Distinction	Maslow's Model	Herzberg's Model
1	2	3
1. Basis based on hierarchy of needs.	Maslow's model is based on factors that avoid dissatisfaction and pain and the factors that satisfy and motivate employees.	Herzberg's theory
2. Order of needs in the order they emerge.	Maslow arranged the of needs in this model.	There is no such order
3. Nature of model	It is descriptive model.	It is prescriptive model.
4. Essence of theory model is that the unsatisfied needs motivate individual to work.	The essence of this gratified or satisfied needs motivate individuals for higher performance.	The essence of model is that the
5. Effect of factors hygiene factors as motivators of behaviour. If a manager offers opportunity to satisfy one of them, employee would exert increased effort.	This model considers factors come into play only when employee perceives them as inadequate.	This model considers that hygiene

Contd...

	Basis of Distinction	Maslow's Model	Herzberg's Model
6.	Motivators or drive serve as motivator.	Any unsatisfied need serve as motivators.	Only higher order needs
7.	Applicability the human beings working anywhere in the society irrespective of their need level.	It is applicable to all people whose lower-level needs have been satisfied.	It is more applicable to those
8.	Division of needs are divided into primary (lower-level) and secondary (higher-level) and arranged in a hierarchy of five levels.	In this model, needs into hygiene factors and motivators.	In this model needs are divided
9.	Motivators lowest unsatisfied need on the hierarchy motivates employees.	According to this model, corres-pond roughly to Maslow's higher-level needs, motivate employees or influence their behaviour.	Only motivators, which
10.	Effect of satisfaction of needs	According to this model, once a need is satisfied, it no longer motivates.	According to this model, managers must concern themselves with the satisfaction of employees in order to motivate them.

Prof. Douglas McGregor was a psychologist, management consultant and author. He wrote a book entitled *Human Side of Enterprise.*

In this book he described two distinct set of assumptions about people at work. McGregor labelled these set of assumptions as Theory X and Theory Y. He believed that these assumptions influence the thinking and attitude of most managers about the people at work.

Theory X presents a pessimistic or negative view of human nature whereas Theory Y reflects an optimistic or positive view of human behaviour. Both the theories and their assumptions are described in the ensuing paragraphs.

Theory X lists a set of assumptions which presents a pessimistic view of human nature. The assumptions of Theory X are as follows :

1. The average human being inherently dislike work and will avoid work, if possible.

2. Since human beings dislike work, they must be coerced, controlled or threatened with punishment to make efforts to achieve objectives.

3. The average human being prefers *to* be directed.

4. The average human being wishes to avoid responsibility.

5. The average human being has relatively little ambition.

6. The average human being wants security above all other factors associated with the work.

7. The average human being is inherently self-centered and indifferent to organisational objectives.

8. The average human being by nature, resists change.

9. The average human being is gullible, not very bright. He may be duped by charlatans.

Theory Y views human beings in optimistic or positive terms. The assumptions of this theory are as follows :

1. The average human being does not inherently dislike work. Employees find that work is as natural as play or rest if organisational conditions are appropriate.

2. Employees will exercise self-direction and self-control if they are committed to objectives. External control and the threat of punishment are not the only means to make employees to work towards objectives.

3. Commitment to objectives, is a function of the rewards associated with their achievement.

4. The average human being can be motivated by higher-level needs *i.e.* esteem and self-actualisation needs.

5. The average human being learns not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security are generally not inherent human characteristics.

6. The average human being seeks responsibility because it allows him to satisfy higher-level needs.

7. The capacity to exercise imagination and creativity in the solution of problems is widely spreaded throughout the population. It is not the sole province of the managers.

8. Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilised.

Theory Y suggests or contributes the following thoughts :

(i) Management is responsible for organising the resources of the enterprise for achieving organisational objectives.

(ii) Employees are not lazy or passive or resistant to organisational objectives.

(iii) Work is natural to employees if managers can release and channelise the employees' potential.

(iv) Employees can exercise self-direction and self-control if they are committed to objectives.

(v) Employees commitment to objectives can be ensured if the rewards are associated with the achievement of objectives.

McGregor believed that a manager's view about the employees affect the behaviour or motivation of the employees. If a manager treats employees lazy and irresponsible, the employees will behave accordingly.

Conversely, if a manager treats his employees as mature and responsible, they would respond accordingly. Thus, if employees are treated in a Theory X manner, they will become lazy. If they are treated in accordance with Theory Y, they will be motivated and committed to the organisational objectives.

Theory X assumes that lower-order needs dominate individuals. Theory Y assumes that higher-order needs dominate individuals. McGregor believed that Theory Y assumptions were more valid than Theory X. Therefore, he proposed such ideas as participation in decision-making, responsible and challenging jobs and good group relations for maximising employee job motivation.

Though McGregor's motivation theory has its significance, but it is criticised on the following grounds :

1. It tends to over-generalise or over-simplify behaviour of human beings. It is not easy and possible to classify people in two extreme categories.

2. Almost all the employees do not become good or bad because of the views that a manager has about them.

3. McGregor suggests that the job itself is a motivator but it is not so in all the cases. Jobs alone cannot motivate equally to all the persons.

The distinctions between Theory X and Theory Y are as follows :

Basis of Distinction	*Theory X*	*Theory Y*
1	2	3
1. Views about the human behaviour	It represents a negative or pessimistic view of human behaviour.	It represents a positive or optimistic view of human behaviour.
2. Liking for work	This theory assumes that people dislike work and will try to avoid work, if possible.	This theory assumes that people regard work as natural as play or rest.
3. Direction	It also assumes that people seek direction from superior.	It assumes that people will exercise self-direction and self-control if they are committed to the objectives.
4. Responsibility	It assumes that people avoid responsibility.	It assumes that people seek and accept responsibility.
5. Creativity and change	It assumes that people lack creativity and resist change.	It assumes that people are creative by nature and ready to accept change.

Contd...

Basis of Distinction	Theory X	Theory Y
1	2	3
6. Focus on needs	It focuses on lower-level needs *i.e.* physiological and safety needs.	It focuses on higher-level needs *i.e.* social esteem and self-actualisation needs.
7. Style of leadership	It represents autocratic leadership.	It represents democratic leadership.
8. Role of incentives	It emphasises the role of financial incentive in motivation.	It emphasises the role of non-financial incentives in motivation.
9. Role of job factors or job	It assumes key role of job factors in motivation.	It assumes key role of job itself in motivation.
10. Nature	It is a traditional theory of motivation.	It is a modern theory of motivation.
11. Applicability	It is more applicable to illiterate or unskilled and lower-level employees.	It is more applicable to skilled employees occupying higher positions.

William Ouchi wrote a book entitled, *"Theory Z : How American Business can Meet the Japanese Challenge"*. In this book, he described management practices in a number of U.S. Companies that are similar to those that successful Japanese companies have been utilising for years. Ouchi identified IBM, Hewlett-Packard, Intel, P & G, Eastman Kodak as Theory Z organisations.

According to Mondy *et al,* "Theory Z is the belief that a high degree of mutual responsibility, loyalty and consideration between companies and their employees will result in higher productivity and improved employee welfare."

According to Weihrich and Koontz, "Theory Z refers to selected Japanese managerial practices adapted to the environment of the United States as suggested by William Ouchi. For example, one of the characteristics of Type Z organisations is the emphasis on interpersonal skills needed for group decision-making."

Theory Z is a hybrid management system which incorporates the strengths of Japanese and American management. It describes characteristics common to certain successful Japanese and American Companies. The distinguishing features of Theory Z are as follows :

> Theory Z suggests strong bond between organisation and its employees. Ouchi has suggested certain ways for this, including the life-time employment and avoiding retrenchment and lay-off. Moreover, financial and non-financial incentives should be offered to motivate employees. Theory Z also emphasises that as against vertical promotions of employees, more emphasis should be placed on horizontal promotions. Such promotions/movements will reduce stagnation. A career plan for each employee should be prepared so that every one reaches to the right position in the organisation.

Theory Z suggests that employee participation should be ensured in decision-making. Employees should be consulted and their suggestions should be considered while making decisions. However, the decisions affecting employees' interest directly should be made jointly. This will increase their commitment to the implementation of the decisions.

Theory Z suggests no formal organisation structure. There should not be charts, divisions, or any visible structure. It emphasises on perfect team-work with cooperation along with sharing of information, resources and plans. Members of organisation should work as a team and solve all the problems with no formal reporting relationships. There should be minimum of specialisation of positions and of tasks.

Theory Z recommends that managers should develop new skills among the employees. Managers should, therefore, recognise the potentials of their subordinates. They develop their potentials through proper career planning, training and incentives. Managers can also use job enrichment and job enlargement techniques for developing their subordinates.

Theory Z also suggests that managers should pay more attention to informal control procedures. Managers should lay more emphasis on mutual trust and cooperation rather than on formal authority in ensuring control. In other words, managers should control through informal mechanisms.

Theory Z requires that there must be climate of mutual trust and confidence between the employees, the managers and the unions. According to Ouchi, trust, integrity and openness are closely related. All these are the prerequisites of a sound organisation. Trust grows where the openness of minds and relationships exists.

Theory Z suggests that more emphasis should be given to evaluation and training than to promotion. The employees should be evaluated over a fairly long period using both quantitative

and qualitative measures. This will increase commitment of employees to the organisation.

Theory Z requires that responsibility should be assigned on an individual basis. Individuals should assume responsibility for decisions. However, employees should be allowed to share or participate in decision-making.

Theory Z suggests that there should be non-specialised career paths. The career paths should involve multiple function experience. For this emphasis should be laid on job rotation and broad-based training. This, in turn, gives an employee a better feel for the entire organisation.

Theory Z suggests that there should be holistic concern for people. Such holistic concern should extend beyond the workplace and reflect genuine concern for the total employee personality including the employee's family, hobbies, personal ambition and so on.

Thus, theory Z provides a new dimension of motivation of employees. It is not merely a motivational technique but it provides a complete theory of management. It calls for mutual trust and cooperation between managers and workers.

Theory Z has been successfully employed by the Japanese companies operating in U.S.A. The process of implementing Theory Z in India has already been started.

Maruti Udyog Ltd., a company with Japanese collaboration, is one such company where theory Z is being applied. For this purpose, work-place has been designed on the Japanese pattern. A common canteen has been provided for all the employees irrespective of their position in the company. Similar uniform has been introduced for all. All this has been done to avoid class or group feelings among the employees and to remove status difference among the employees.

Theory Z is considered a comprehensive theory or philosophy of management. It involves a complex amalgamation of

management principles and practices for obtaining cooperation of the employees. It provides a complete transformation of motivational aspect of employees. But it suffers from the following limitations of drawbacks.

The provision for life-time employment seems to be difficult for *two* reasons : (i) No employer would like to retain an employee who is less productive. (ii) No employee will hesitate to an organisation if there is a better chance of employment.

Theory Z emphasises on common culture in organisations which is very difficult. People come from different backgrounds and environments and with different religion, habits, languages etc. All these create barriers in developing common culture.

Participation in decision-making process is also very difficult. Some managers dislike the idea because it hurts their ego and freedom. In some cases, employees are also reluctant to participate actively in decision-making process because of the fear of criticism. Sometimes, employees are not capable to participate in decision-making. Consequently, participation of employees in decision-making becomes difficult.

There may be operational problems to managers in implementing theory Z. For instance, theory Z emphasises organisation without formal structure. But it is difficult to run an organisation without a formal structure. In the absence of formal structure, there may chaos in the organisation because no one knows who is accountable to whom.

Theory Z is based on the Japanese management practices which are influenced by the Japanese culture. But each country differs in its culture. Therefore, the same management practices cannot be applied to each country.

This theory does not suggest the total solution to motivational problems. It provides a complete philosophy of management.

In spite of all these criticisms, theory Z is becoming popular among many managers and organisations.

Motivation may be classified in the following categories :

Positive motivation is the process of influencing others to do work or to behave in accordance with the desire of the leader through the use of reward. Thus, positive motivation is based on reward or gain either monetary or non-monetary.' The methods of positive motivation include pay, fringe benefits, praise, responsibility, participation in decision-making, social recognition and so on. Positive motivation creates congenial and optimistic work environment in the organisation. It inculcates sense of belongingness among the employees.

Negative motivation is the process of controlling negative behaviour/efforts of employees through fear and punishment. Thus, negative motivation is based on fear of force or threats. When employees fail to perform desired work or fail to behave in the desired manner, they are threatened or forced not to do so. Such threats or forces include wage cuts, retrenchment, demotion, transfer, reprimands and so on. Experts are of the opinion that as far as possible, negative motivation techniques should not be used. It is due to the reason that in the long-run, negative motivation may result in lower productivity. It creates frustration and hostility among the employees.

Extrinsic or external motivation is one which arises from external factors. It is related to job environment. It is the incentive or reward that a person receives after finishing his work. It includes higher wages, profit-sharing, fringe benefits and so on.

Intrinsic or internal motivation is that which comes from the satisfaction that arises while performing a job. It is an internal reward *i.e.* satisfaction that comes while a person is performing his job. Thus, it is a motivation that arises out of a job itself. It is an internal stimulus resulting from job content and not from job environment.

Herzberg suggested for job enrichment in order to provide

intrinsic motivation. Higher responsibility, opportunity for achievement and individual growth, praise social recognition, are the basic sources of intrinsic motivation.

Intrinsic motivators motivate some people more than extrinsic motivators. But in reality both are necessary. If wages, job security, fringe benefits are inadequate, it would be difficult to recruit and retain good personnel. Turnover, absenteeism and grievances will tend to be higher where management ignores extrinsic motivators. Therefore, a sound motivation system should provide both extrinsic and intrinsic; motivators. Financial motivation is the pecuniary motivation and occurs from direct or indirect monetary benefits. Wages, fringe benefits etc. are the direct monetary benefits. Bonus, profit-sharing plans, pension plans, health insurance plans etc. are the indirect financial benefits.

Non-financial motivation is one which is not associated with monetary rewards. In fact, non-financial motivation is psychic in nature. It comes from the satisfaction of higher-level needs *i.e.* social, esteem and self-actualisation needs. Work environment, praise, recognition, promotions, more authority and responsibility etc. are the non-financial motivators. Financial and non-financial incentives are being discussed in detail in the ensuing paragraphs.

Managers use variety of techniques for motivating employees. Such techniques may be broadly classified under the following two heads :

  I. Financial or monetary techniques.

  II. Non-financial or non-monetary techniques.

Financial techniques of motivation are those which involve financial expenditure for an organisation and increase money income of its employees.. These include (a) pay, (b) dearness and other allowances, (c) bonus, (d) profit-sharing, and (e) fringe benefits and so on.

Fringe benefits are the benefits over and above regular pay and variable payment related to performance. Fringe benefits is, thus, a wider term includes housing, transport, recreation facilities, lunch, clothing and washing allowance or facilities, payment for holidays and leave-travel benefits, free medical services or mediclaim insurance, disability benefits, retirement benefits including pension and gratuity and so on. Thus, financial techniques are the financial incentives that provide pecuniary or monetary benefits or rewards to employees.

Monetary techniques are, thus, pecuniary benefits or rewards to the employees. These are tangible and visible incentives. These incentives can satisfy the physiological and safety and security needs of employees. These also play crucial role in satisfying the social and esteem needs of the employees. Money recognised a symbol of social status and source of power in the modern times. William F. Whyte has, therefore, very candidly stated that "man has not born loving money. He has *to* learn to love it. This learning takes place in varying degrees in various parts of the world." Thus, financial techniques beyond doubt serve most powerful role in motivating employees.

Non-financial techniques of motivation are those which are not associated with financial rewards. Such techniques are mainly psychic in nature. These are associated with the work and work environment. Such techniques contribute to the satisfaction of higher-level needs such as social, esteem and self-actualisation needs. Some of the non-financial techniques of motivation are as follows:

> Job enlargement is one of the modern techniques of motivation. Job enlargement means enlarging or adding more and different but simple tasks to a specialised job. Thus, it increases the number and variety of tasks a worker should do. Consequently, employees are encouraged to learn new skills or take new responsibility. This presumably reduces

monotony and boredom and increases satisfaction and motivation of employees. This technique is also called the horizontal job loading.

Job enrichment is another technique of motivation. It is a technique of vertical job loading. It is a technique which focuses on job depth. Job enrichment refers to the basic changes in the content and level of authority and responsibility of a job so as to provide greater challenge to the employees. It is the process of adding several positive inducement and attractions in a job with a view to make the job more interesting, meaningful and challenging. The job-holder is vested with more authority and autonomy for making decisions on operational matters of his job. Thus, it permits self-direction and self-control which, in turn, motivates employees.

According to Herzberg job enrichment is a process of building motivators into jobs. He believed that motivators lead to job satisfaction which, in turn, leads to higher performance. Therefore, Herzberg strongly advocated job enrichment as the most important technique to improve motivation and performance of employees. It may be pointed out that both job enlargement and job enrichment are the job redesign techniques. But job enlargement is the horizontal job-loading whereas job enrichment is vertical job-loading. Former technique assigns new and more tasks to employees whereas latter grants additional authority, autonomy and control to the employees.

Job rotation is also regarded as a motivation technique. It is a technique in which employees are provided an opportunity to perform different jobs or functions by rotation. The purpose of job rotation is to broaden the scope of job and to increase the knowledge and skill of the employees about the job. This, in turn, relieves employees from boredom and monotony and improves their motivation level.

Praise appreciation and recognition are the most effective and direct means of motivation. These techniques acknowledge

the performances of employees to the society. These satisfy the social and esteem needs of the employees. For instance, a pat on the back of an efficient employee brings more happiness to him than the increase in the pay. Managers, therefore, give away prizes, certificates, plaques, letter of appreciation, etc. to the employees performing the best.

Employee participation in management is yet another technique of motivation. Employee participation means involvement of non- managerial personnel in the organisational and managerial activities, such a practice can ensure commitment of employees towards accomplishment of organisational goals. Consequently, employees feel involved in the organisation and their level of motivation improves. Employee participation may brought about by information sharing, suggestion system, consultation, representation on committees, board of directors and so on.

Competition or contests are means of motivation among employees. People usually like to compete with others and win over them. Therefore, managers may arrange competitions or contests for the employees. Managers fix certain goals or standards of performance for employees and challenge them to achieve them ahead of others. The winners are awarded prizes, given certificates of performance or appreciation letters with or without financial rewards. The winner gains recognition for his performance and social status and prestige. This all satisfies his social and esteem needs.

Promotion to a higher post or increase in the status of a person improves his motivation level. Promotion may not always result in more pay or financial rewards but increases social status of the employees. This satisfies his social and esteem or ego needs. Therefore, managers take various measures to increase status of their subordinates. These include, bigger air conditioned chamber with superior furniture and fixtures, personal assistant, cellular phone, computer, lap-top computer, air travel facility and so on.

Delegation of authority to execute a given task often proves to be a strong motivating force. This enables subordinates to have effective control over the work and its environment. Job enrichment also involves delegation of authority. Employees are motivated to work better if they have a feeling of accomplishment. This feeling can be inculcated by providing more authority, autonomy, applying the MBO technique, better career planning and development and so on.

Security of job in the modern age, there are threats of loss of job from technological change. By providing security of job, employees may be motivated to work hard.

Employees may also be motivated by creating congenial social environment. For this, managers can carefully plan and execute induction programmes, provide means to socialise employees through rest pauses and recreation programmes, promote the informal relations among the employees. These measures can go a long way in satisfying social and ego needs of employees. Opportunity for advancement can serve as a strong motivating force. This helps to develop their personality and talent. Such opportunity satisfies social ego and self-actualisation needs.

A quality circle is a group of employees of a work unit who meet frequently with their superior to identify and solve work related problems of their unit. This circle provides an opportunity to express opinions or suggestions in a frank, free and informal setting about the matters relating to product quality, cost and productivity of resources. Such circles, therefore, serve as a means to satisfy employees needs for interaction and self-expression. Hence, such circles are regarded as a means of motivation to employees.

Work climate refers to the physical environment of the work-place. It is the basis of employee motivation. Creation and maintenance of sound work climate is a prerequisite for sound motivation system. Therefore, the factory layout, surroundings,

facilities such toilets, canteen, rest-rooms etc. should be properly planned and maintained in order to motivate employees. There is not exhaustive list of non-financial techniques of motivation. There are many more techniques. A manager should use any or all the techniques keeping in view the needs of the employees and the prevailing circumstances.

According to Koontz and O'Donnel, "A sound motivation system must be productive, competitive, comprehensive and flexible." In fact, a sound motivation system should have the following essentials:

> A motivation system should be purposive. Therefore, motivation system should clearly state its objectives. It must reflect the objectives and philosophy of the organisation.

A motivation system should aim at increasing productivity of the organisational resources. It should be able to increase efficiency and effectiveness of all employees and other resources as well. As far as possible, a motivation system should be positive. It should adopt a positive approach towards employees. It must aim influencing behaviour and actions of employees through rewards and satisfaction of needs. Motivation system should be simple to understand by employees. Moreover, it should be simple to implement for the managers. A complex system can never produce the desired results.

A motivation system should be challenging. It should set challenging but attainable goals before the employees.

A motivation system should be competitive for the employees as well as for the organisation. It should be able to create competitive spirit among the employees. Moreover, it must be able to compete with other organisations. In other words, it should be better and more attractive to the employees than that of the competitive organisations. It must be capable of attracting employees of competitive organisations.

A motivation system should consider all the needs of all the employees in the organisation. It should recognise and consider individual nature, perceptions, values, needs and abilities. It should be capable of motivating efficient as well as inefficient employees.

A motivation system should be flexible and dynamic. It should be capable of being adapted to changing needs of the employees and environmental situations as well.

Motivation system should be reasonably stable and permanent. It should be a permanent feature of an organisation. *Ad hoc* motivation system cannot motivate employees on a continuing basis.

A motivation system should be equitable to all the employees. It Should be free from biases to any individual or group of individuals. There should be direct and positive linkages between performance and reward in the motivation system. The linkages between the two should be clearly made known to the employees.

A motivation system should always integrate organisational goals with individual goals. It should contribute to the achievement of organisational goals along with the individual goals.

There should be a perfect blending or combination of financial and non-financial incentives. This will help in satisfying the lower-level as well as higher-level needs of the employees.

A sound motivation system should be positive but it must contain a provision for punishment too. It must provide for penalty for persistent unacceptable performance and behaviour of the employees.

There should be adequate and effective mechanism for feedback on the application of motivation system. Employees should be periodically informed about their performance and rewards.