

## AN INTRODUCTION TO ORGANIZATIONAL BEHAVIOUR

**Hours : 2**

**Credit Allotted: 2**

**Code :18K4BBELO2**

**Max Marks : 75**

### **UNIT – I**

Organizational Behaviour – Concept – Nature – Organizational Behaviour. Disciplines contributing to Organizational Behaviour.

### **UNIT – II**

Individual Behaviour – positive and negative behavior-factors influencing individual behavior. Personality – definitions, determinants of personality, Factors influencing personality. Formal and Informal Group.

### **UNIT – III**

Leadership – Concept – Qualities of effective Leadership – Leadership styles. Power and Authority – Definition of Power – Types of Power.

### **UNIT – IV**

Definition of Authority – Characteristics – Types of Authority. Morale – Concept - importance – Morale and Productivity – steps to improve Morale in an organization.

### **UNIT – V**

Motivation – Nature – significance – Theories of Motivation – Maslow’s need hierarchy theory – McGregor’s theory X and Theory Y – Herzberg Two Factor Theory.

### **BOOKS FOR REFERENCE:**

1. Organisation Theory and Behaviour – V.S.P.RAO & S.NARAYANA
2. OrganisationBehaviour – L.M.PRASAD
3. OrganisationBehaviour – Dr.P.C.SEKAR
4. Organizational Behavior – Jayasankar

<https://www.managementstudyguide.com/herzbergs-theory-motivation.htm>

## 1.1 INTRODUCTION

**Organizational behavior (OB)** or **Organisational behaviour** is "the study of human behavior in organizational settings, the interface between human behavior and the organization, and the organization itself."

Organizational behavior is the field of study that investigates how organizational structures affect behavior within organizations.

### DEFINITIONS

"Organizational behavior is a field of study that investigates the impact that individuals, groups and organizational structure have on behaviour within the organization, for the purpose of applying such knowledge towards improving an organizational effectiveness".

- Organizational behavior studies organizations from multiple viewpoints, including behavior within the organization and in relation to other organizations.
- Micro organizational behavior refers to individual and group dynamics in an organizational setting.
- Macro organizational theory studies whole organizations and industries, including how they adapt, and the strategies, structures, and contingencies that guide them.
- Concepts such as leadership, decision making, team building, motivation, and job satisfaction are all facets of organizational behavior and responsibilities of management.
- Organizational behavior also deals heavily in culture. Company or corporate culture is difficult to define but is extremely relevant to how organizations behave.
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### NATURE OF OB

Organizational behaviour has emerged as a separate field of study. The nature it has acquired is identified as follows :

#### 1. A Separate Field of Study and not a Discipline Only

By definition, a discipline is an accepted science that is based on a theoretical foundation. But, O.B. has a multi-interdisciplinary orientation and is, thus, not based on a specific theoretical background. Therefore, it is better reasonable to call O.B. a separate field of study rather than a discipline only.

#### 2. An Interdisciplinary Approach

Organizational behaviour is essentially an interdisciplinary approach to study human behaviour at work. It tries to integrate the relevant knowledge drawn from related disciplines like psychology, sociology and anthropology to make them applicable for studying and analysing organizational behaviour.

#### 3. An Applied Science

The very nature of O.B. is applied. What O.B. basically does is the application of various researches to solve the organizational problems related to human behaviour. The basic line of difference between pure science and O.B. is that while the former concentrates on fundamental researches, the latter concentrates on applied researches. O.B. involves both applied research and its application in organizational analysis. Hence, O.B. can be called both science as well as art.

#### 4. A Normative Science

Organizational Behaviour is a normative science also. While the positive science discusses only cause effect relationship, O.B. prescribes how the findings of applied researches can be applied

to socially accept organizational goals. Thus, O.B. deals with what is accepted by individuals and society engaged in an organization. Yes, it is not that O.B. is not normative at all. In fact, O.B. is normative as well that is well underscored by the proliferation of management theories.

### **5. A Humanistic and Optimistic Approach**

Organizational Behaviour applies humanistic approach towards people working in the organization. It, deals with the thinking and feeling of human beings. O.B. is based on the belief that people have an innate desire to be independent, creative and productive. It also realizes that people working in the organization can and will actualize these potentials if they are given proper conditions and environment. Environment affects performance of workers working in an organization.

### **6. A Total System Approach**

The system approach is one that integrates all the variables, affecting organizational functioning. The systems approach has been developed by the behavioural scientists to analyse human behaviour in view of his/her socio-psychological framework. Man's socio-psychological framework makes man a complex one and the systems approach tries to study his/her complexity and find solution to it.

## **DISCIPLINES CONTRIBUTING TO OB**

### **6 Contributing Disciplines to the Organization Behavior Field are:**

**Psychology.**

**Sociology.**

**Social Psychology.**

**Economics.**

**Anthropology.**

**Political Sciences.**

### **Contributing Fields to Organizational Behaviour**

**Psychology:** Psychology is an applied science, which attempts to explain human behavior in a particular situation and predicts actions of individuals. Psychologists have been able to modify individual behaviour largely with the help of various studies. It has contributed towards various theories on learning, motivation, personality, training and development, theories on individual decision making, leadership, job satisfaction, performance appraisal, attitude, ego state, job design, work stress and conflict management. Studies of these theories can improve personal skills, bring change in attitude and develop positive approach to organizational systems. Various psychological tests are conducted in the organizations for selection of employees, measuring personality attributes and aptitude. Various other dimensions of human personality are also measured. These instruments are scientific in nature and have been finalized after a great deal of research. Field of psychology continues to explore new areas applicable to the field of organizational behavior. Contribution of psychology has enriched the organizational behaviour field.

**Sociology:** Science of Sociology studies the impact of culture on group behavior and has contributed to a large extent to the field of group-dynamics, roles that individual plays in the organization, communication, norms, status, power, conflict management, formal organization theory, group processes and group decision-making.

**Political science:** Political science has contributed to the field of Organizational behavior. Stability of government at national level is one major factor for promotion of international business, financial investments, expansion and employment. Various government rules and regulations play a very decisive role in growth of the organization. All organizations have to abide by the rules of the government of the day.

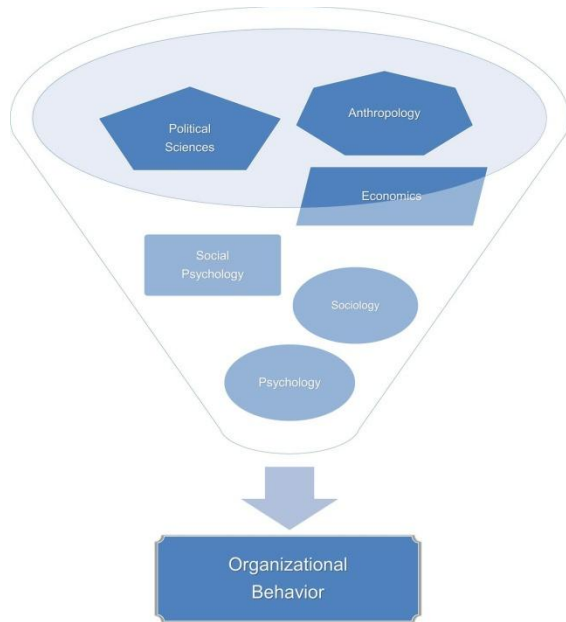
**Social psychology:** Working organizations are formal assembly of people who are assigned specific jobs and play a vital role in formulating human behavior. It is a subject where concept of psychology and sociology are blend to achieve better human behavior in organization. The field has contributed to manage change, group decision-making, communication and ability of people in the organization, to maintain social norms.

**Anthropology:** It is a field of study relating to human activities in various cultural and environmental frameworks. It understands difference in behavior based on value system of different cultures of various countries. The study is more relevant to organizational behavior today due to globalization, mergers and acquisitions of various industries. The advent of the 21st century has created a situation wherein cross-cultural people will have to work in one particular industry. Managers will have to deal with individuals and groups belonging to different ethnic cultures and exercise adequate control or even channelize behavior in the desired direction by appropriately manipulating various cultural factors. Organization behaviour has used the studies on comparative attitudes and cross-cultural transactions. Environment studies conducted by the field of anthropology aims to understand organizational human behaviour so that acquisitions and mergers are smooth. Organizations are bound by its culture that is formed by human beings.

### **Economics**

Economics contributes to organizational behavior to a great extent in designing the organizational structure. Transaction cost economics influence the organization and its structure. Transaction costs economics implies cost components to make an exchange on the market. This transaction cost economics examines the extent to which the organization structure and size of an organization varies in response to attempts to avoid market failures through minimizing production and transaction costs within the constraints of human and environmental factors. Costs of transactions include both costs of market transactions and internal coordination.

So we can assume that there are various types of disciplines that involve organizational behavior. They, directly and indirectly, influence the overall activities of OB.



<https://www.iedunote.com/contributing-disciplines-to-organization-behavior-field>

## UNIT – II

Individual Behaviour – positive and negative behavior-factors influencing individual behavior.  
Personality – definitions, determinants of personality, Factors influencing personality. Formal and Informal Group.

# Foundations of Individual Behaviour

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An organisation cannot function by itself. It is only the individuals in the organisation who do and make things happen. As far as the individuals are concerned, it is their behaviour that indicates their attitude towards work, their superiors, fellow employees and the management. A person's behaviour, therefore, needs to be observed.

While positive or favourable employee behaviour is beneficial to the organisation, negative or unfavourable behaviour is detrimental to its interests. The success of the manager, therefore, lies in his capacity to secure positive employee behaviour.

This Chapter is devoted to studying the various aspects of individual behaviour.

## **Positive Individual Behaviour**

In a workplace the behaviour of an individual is considered positive when he:

- (i) completes his task within the stipulated time
- (ii) does not waste time during working hours
- (iii) does not complain about anything or anyone unnecessarily
- (iv) is regular for work and also punctual
- (v) accepts and carries out any assignment with enthusiasm

## **Negative Individual Behaviour**

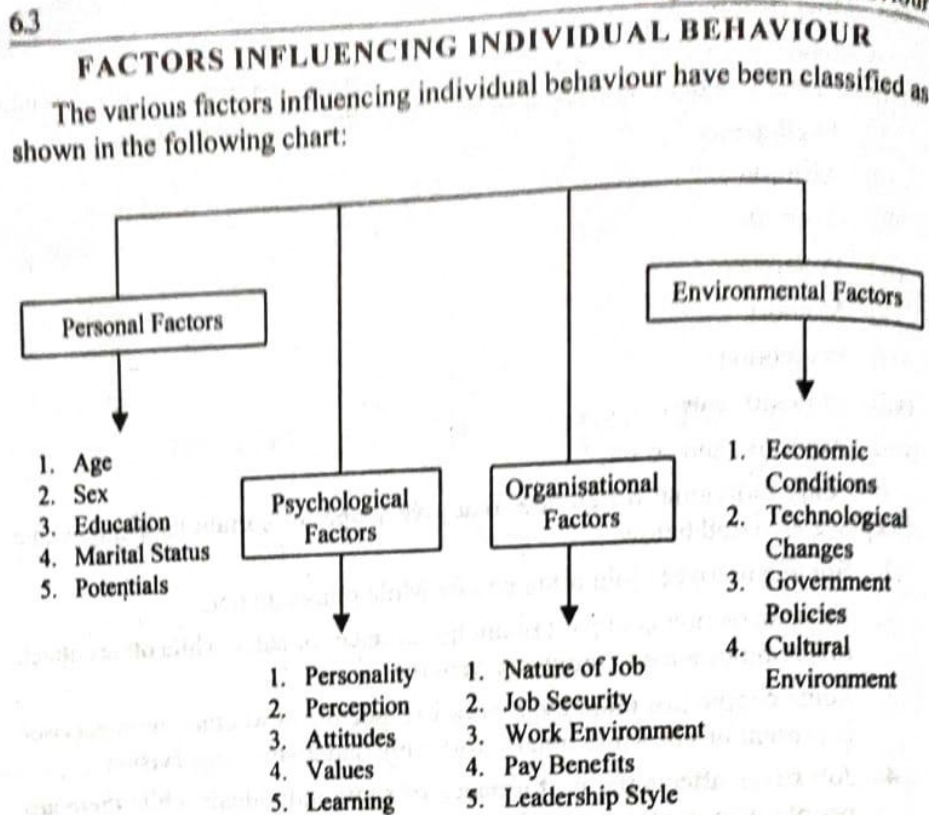
The individual behaviour is negative when:

- (i) there is always undue delay in carrying out his duties
- (ii) there is always a tendency to while away time
- (iii) he complains frequently about someone or something
- (iv) he is irregular for work
- (v) he shows resistance to any proposal.



## FACTORS INFLUENCING INDIVIDUAL BEHAVIOR.

Individual behaviour is influenced by various factors. We will study those personal factors, which has influence on productivity, job satisfaction, absenteeism and turnover.



**Figure 6.1 - Factors Influencing Individual Behaviour**

Each of the above classification of factors is explained below.

### Personal Factors:

#### Age

Among the personal factors influencing behaviour the most important is a person's age. Generally speaking as an employee grows older his level of enthusiasm for work may decline. This happens either because the employee feels saturated or because he lacks physical fitness. It is for this reason that for certain jobs as those of sales representatives youngsters are always preferred.

Another point worth mentioning here is that the older members of the organisation may not be prepared to adapt themselves to the changing environment. They are generally conservatives who prefer to work

in the conventional manner. The rate of absenteeism is likely to be higher in the case of older employees. The number of people opting for voluntary retirement is also higher amongst elders.

**Sex**

Men in the workplace generally show greater interest in union activities. Women employees, on the other hand, may be reluctant to even join trade unions. There is also a feeling among many employers that women employees are generally more sincere and will work with greater commitment. It is for this reason that they appoint more women employees.

Women employees may have to avail leave frequently due to greater domestic obligations. A pregnant employee, for example, will apply for maternity leave that must be given to her as per law. Likewise, when the child is ill, it is she who has to give the necessary medical care. For all this, she has to abstain from work. Some women employee may even resign their jobs after marriage in view of family obligations.

**Education**

The level of education of an individual does influence behaviour. The general belief is that education disciplines a person. An educated employee knows how to get things done in the workplace without incurring anyone's displeasure. He does not lose temper but quietly achieves his goals.

The influence of level of education on a person's behaviour may also be explained from another angle. If a highly qualified person is given a lower level job he may not work with enthusiasm. Such a person deserves a better placement. On the other hand, if a person is given a placement for which he does not possess the requisite qualification and experience he will not be able to perform his duties. Selection and placement of the right person for the right job, thus, is very important.

**Marital Status**

The need for a secured job and stable income is greater in case of married employees. A married employee has greater domestic commitments and therefore adapts himself to the needs of the organisation. He cannot resign his job in case he derives less or no job satisfaction or finds the work environment not conducive. On the other hand, an unmarried employee without much domestic commitments may find a better job if the present job does not give him satisfaction.

**Potentials**

Needless to say, the potentials of an individual influence behaviour. A person with the ability to perform any task effortlessly is able to be emphatic. He is in a position to demand better status in the organisation. It is only people with greater potentials who contribute significantly to the progress of any organisation. It is, therefore, quite natural that such people are given higher remuneration and greater decision-making authority.



A sales officer, for example, who always attains or exceeds his targets has to be given greater incentives failing which he may leave the organisation and join some other organisation that recognises his potentials.

### **Psychological Factors:**

#### **Personality**

The personality of a person, as misunderstood by many, is not just determined by his physical appearance alone. The physical characteristics of a person, no doubt, are important but these get noticed only if accompanied by certain intellectual qualities as stated below:

- (i) Communication ability
- (ii) Inquisitiveness
- (iii) Perseverance
- (iv) Reasoning power
- (v) Leadership capacity and so on.

An individual, who possesses the attributes mentioned above, can certainly command respect wherever he is. Such a person is always able to achieve what he wants to achieve.

#### **Perception**

Perception is the process of knowing or understanding. A given situation is perceived differently by different people. If the perception of a person is correct he/his organisation stands to benefit. If it turns out to be incorrect he/his organisation loses.

Every organisation requires people who are in a position to perceive things right. A person without the capacity to make correct perceptions has to listen to those who possess such a capacity.

#### **Attitudes**

In the context of the workplace 'attitude' is the feeling of an employee about his job, his superiors and fellow-employees. Attitude may be positive or negative. An employee with a positive attitude likes his job, carries out the tasks assigned by his superior and maintains friendly relationships with the fellow-employees.

Employees with a negative attitude, on the other hand, are insincere in their work. They quarrel frequently with their superiors and fellow-workmen.

#### **Values**

The 'values' of a person indicate to him as to what is good and what is bad. Different people have different values. For example, some people are spendthrifts while others consciously save. Some contribute to charity while others don't.

In the workplace the values of an individual do influence his behaviour. For example, if an employee's value system tells him that he should not strike work to express his grievances to the employer, he will not take part in strikes. Likewise, an employee, who wants to be sincere in his work, will not be whiling away his time.

### *Learning*

Learning is the process of bringing about changes in an individual's behaviour. Employee absenteeism, for example, may be a problem faced in many organisations. As employees are eligible for certain types of leave, e.g., casual leave, sick leave, earned leave etc., they may be willing to avail the same. But this affects employee attendance.

To secure better employee attendance certain measures may be adopted. For example, casual leave and sick leave can be made encashable. Such a measure would encourage good attendance.

### **Organisational Factors:**

#### *Nature of Job*

Among the various organisational factors influencing behaviour the important one is the nature of an employee's job. Obviously, if the employee's job is a challenging one he will have greater motivation to work. On the other hand, if the work is of a routine, dull or repetitive nature the employee may not work with interest.

Steps must, therefore, be taken to enrich every job so as to make it more interesting and to secure more favourable employee behaviour.

#### *Job Security*

One of the most important needs of employees is job security. An employee with security of service can, certainly, work with greater motivation than the one without it. Further, job security also makes an employee more loyal to his organisation. This happens because he is able to identify himself with the organisation.

To secure better individual behaviour, it is, therefore, important to grant job security to every person.

#### *Work Environment*

We can always talk about two kinds of work environment – one 'physical environment' and the other 'social environment'.

As far as the physical work environment is concerned, needless to say, the employer shall ensure the necessary physical amenities in the workplace – drinking water, toilet, rest room, canteen, workrooms with proper ventilation and lighting and so on. In the absence of physical amenities the employees are sure to show their displeasure and dissatisfaction.



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### **Technological Changes**

Technological changes affect job opportunities and cause dissatisfaction among individuals. As a result of such changes there is a reduction in the skill of employees. For example, in the past people with typewriting and stenography qualification could find jobs. But at present most employers want people with knowledge of computer operation.

Lack of skill, owing to technological advancement, reduces the job prospects of individuals and also pushes down the wage rates. The employees, therefore, have to constantly update their skill to have better bargaining power.

### **Government Policies**

The labour policy of the Government is yet another important factor. Employees feel insecure due to such decisions of the Government as stated below:

- (i) Reduction in the retirement age
- (ii) Compulsory retirement
- (iii) Increase in the rates of Income-Tax
- (iv) Ban on future recruitment – The employees fear that their workload may be increased.
- (v) Withdrawal of certain welfare schemes for employees and so on.

### **Cultural Environment**

Cultural environment differs from region to region. For example, workers in the western countries work overtime to show their protest to the anti-labour policies of their employers. But in India, workers strike work to show their protest.

Life-time employment opportunities may be given to employees under the Japanese working environment (Z Theory of Motivation). But in a country like India, where unemployment has become a serious problem, such a proposal may do more harm than good.

Workers' participation in management decisions may be a reality in the industrially advanced nations. In India such a concept exists only on paper. Most employers make unilateral decisions without involving their workers.

## **PERSONALITY – DEFINITIONS**

### **PERSONALITY**

Personality is a very complex and multidimensional construct of a human being. No common definition of personality has so far been arrived at. Every individual defines personality in different way which includes trait factors and physical appearance.” Personality is a dynamic organization within an individual of those psychological systems that determines his unique adjustment with the environment. It is a sum total of ways in which an individual reacts and interacts with others.”

Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behaviour (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.

### **Determinants of Personality**

Personality is determined by heredity, environment (culture) and situation under which an individual works.

#### **Heredity**

Heredity is transmitted through genes, which determine hormone balance, which later determine physique and subsequently the personality. Heredity refers to acquiring from parents certain biological, physical and psychological commonalities, which are further reflected in physical stature, facial attractiveness, sex, temperament, muscle composition and even reflect. They often decide energy level. These factors have a deciding influence on how a person in an organization would display his reactions in a particular situation.

Nature of health and psychological make up that an individual enjoys can be traced from the traits his parents possessed. Parents prominently pass on shyness, fear and distress to the next generation. In good organizations and particularly in defence services a detailed screening is carried out of the candidates based on the background of the parents as it relates to physique, psychological make up, disability and transferable disease as it has far reaching impact on the general health of the organization.

#### **Environment**

Every individual is born and brought up in a particular environment. Environment leaves an imprint on the personality of an individual. It is commonly seen that a doctors son preferring his father’s profession and a child of a soldier entering into Defence Services. More advanced the socio-economic conditions of the society more would the children be forward thinking. Environment should be viewed from the point of view of norms, ethics and value that are observed and the attitude displayed by the social group. These factors actually formulate the culture of the society from which the organizations draw their human resource requirements. The cultural background is important to evaluate personality. In childhood, parents, uncles, aunts and even neighbour’s behaviour is copied by a child. It is therefore necessary to display an ideal



behaviour on the part of all the adults who come in direct contact with the children. Family moulds character of children through role models re-enforcements, rewards and punishments. Other influences like first born and later born child will have different personality traits. First-born child would generally be commanding. Female child would be more responsive and pass on sobering effect on younger brothers/sisters. It is therefore important to study early conditions under which the child has been brought up, norms followed in the family and the existence of cultural value system in the society. All these factors have a marked influence on the personality of an individual.

### **Situation**

Individual has to interact with number of problems in a given situation, which does not remain constant. It is subject to change and hence fluid in nature. There is therefore a need to recognise the person-situation interaction. It can be social learning activity of personality. Thus personality is situational, the uniqueness of each situation and any measure of personality must be examined. Personalities therefore mean how people affect others, how they understand and view themselves, pattern of personality traits and personsituation interaction. For example individual modifies his behaviour based on situation. When an individual goes to temple he would be sober, generally put on plain clothes and bow. When the same individual goes for interview he would be armed with knowledge of the organization while in the club he would be merry making having a drink in his hand and meet friends and generally be in gay mood.

## **FACTORS INFLUENCING PERSONALITY.**

### **1) Individual factors affecting personality**

**A) Heredity** Heredity is something that passes from generation to generation. It is due to the genetic transfer from parents to children. That is the skill and traits that pass from parents to children as it is.

**B) Physique** Physique of a person affected his personality that is his/her enduring, biological makeup affects his personality. The body types are short and stout, tall and thin; muscular and well proportioned the body type will be a factor of personality.

**C) Biological Factor** The endocrine glands like thyroid, parathyroid pituitary gland, adrenal gland etc. will affect personality of a person. This ability enables him to mould the social environment according to his requirements.

**D) Intelligence** Persons who are very intelligent can make better adjustment in social environment.

### **2) Environmental Factors affecting the development of personality**

**A) Family** First and the foremost factor that influences the personality development of a person in his family. Parent's behavior and attitude, their expectations from the child, their education and attention to the child, influence the child's personality. The type of experience received from family in early childhood will play an important development of personality. Economic and social condition of the family will also influence a child's personality.

The socio-economic status of the family, education of the parents, and other family members shape the personality of an individual to a considerable extent. In fact, family members themselves try to influence the behaviour of children in a desperate attempt to personify their own values, roles, etc.

**B) School** Next social factor that affect the child's personal development in the school. School atmosphere and discipline affects personality development of a child. Teacher's personality and character, peer students attitude and character all influences personality of a child's development.

**C) Early experience** One's experience is influencing the personality of a person. Bitter experience and positive experience suffered by person early in the stage of life is also affects personality of a person.

**D) Success and Failures** Success and failures suffered in the also play a key role in developing personality of a person. It may play as a role of motivation and demotivation in a person's life.

**E) Cultural** The cultural traditions, values accepted in a particular society are the cultural environment. These factors influence development of child's personality. Culture shapes our personal values and predispositions. It is the unique characteristic of a social group. The values and norms shared by its member's sets it apart from other social groups. The essence of culture is the collective programming of the mind.

**F) Physical and social** Physical and social environment such as country of birth and living will also affects the development of a child's personality

### **G. Nature of people with whom we interact:**

People influence each other and such influences shape the personality. For this reason, we often say that one's personality is constantly evolving and is shaped throughout one's life.

### **Formal and Informal Group.**

Formal groups are formulated when two or more members of an organization are assembled by the management with the purpose of achieving a specific goal.

There exist rules and regulations within a formal group with an official leader who is supposed to enforce the laws and regulations while at the same time offering direction and guidance to the group.

An informal group does not follow a defined pattern, rules, or guidelines and no official leader controls the group. Any person can assume leadership at any given time.

Informal groups are formed by two or more members with the purpose of satisfying their personal and psychological needs.

## FORMAL GROUPS VERSUS INFORMAL GROUPS

Formation	Deliberately	Voluntary
Structure	Defined Structure	No Structure
Relationship	Professional	Personal
Size	Large	Comparatively Small
Nature/Life	Depends on Group	Depends on Members
Leadership	Official Leader	No Official Leader

### UNIT – III

**Leadership – Concept – Qualities of effective Leadership – Leadership styles. Power and Authority – Definition of Power – Types of Power.**

Leadership is the art of motivating a group of people to act toward achieving a common goal. In a business setting, this can mean directing workers and colleagues with a strategy to meet the company's needs.

“Leadership is the process of influencing the activities of an individual or a group in efforts toward goal achievement in a given situation.”

### Qualities of a Leader

To be a successful leader, a person is expected to possess the following qualities:

1. *Ability to analyse* – The leader must be able to analyse any problem and offer an immediate solution. He should be alert mentally.
2. *Emotional stability* – The leader must not make decisions influenced by emotions. He has to approach any problem intellectually and find a solution.
3. *Self-confidence* – A person cannot be a successful leader if he lacks self-confidence. If he has confidence in himself, he will be able to overcome resistance from anyone for his proposals.
4. *Foresight* – The leader must foresee what is likely to happen. He must be able to visualise the future events and prepare his followers to meet challenges.
5. *Sense of judgement* – The leader must be able to judge what is good under the given circumstances. Only then he will be able to evolve certain practical decisions.
6. *Understanding* – The leader must not always thrust his views on his followers. He must also listen to their viewpoints particularly while making decision in a critical situation.
7. *Mental courage* – The leader must be capable of taking certain bold decisions. For this he must have mental courage. He need not play safe by just endorsing the decisions of others.
8. *Capacity to motivate* – Needless to say, the leader must be able to induce and motivate his followers to work for the mission he has undertaken.
9. *Ability to guide* – The leader will be able to guide his followers in the work process only if he himself is well versed in the actual work.
10. *Communication skills* – Successful leaders are always known for the communication skills. Such skills are essential to direct the followers to work for attaining the desired goal. Moreover, the leader will always be able to defend himself if he possesses good communication ability.
11. *Sociability* – The leader should not be indifferent to the needs of his followers. As his followers work wholeheartedly for fulfilling his mission, the leader has the duty to reciprocate. If any follower has certain personal problems, the leader must do his best to help him. The leader must make himself accessible to his followers.
12. *Sound physical health* – The leader must possess robust physical health. Mental health, no doubt, is important, physical health is equally important. If only the leader has sound physical health, he will be able to work for his mission with endurance. He will be able to travel extensively and also speak for hours only if he has good physical health.

## LEADERSHIP STYLES

### What is Leadership Style?

Leadership Styles are how a leader guides a team through different stages. These styles dictate how a leader implements plans, provides guidance, overlooks work, etc. Based on different personalities and methods, there are many different styles

1. Transactional Leadership
2. Transformational Leadership
3. Servant Leadership
4. Democratic Leadership
5. Autocratic Leadership
6. Laissez-Faire (Delegative) Leadership
7. Bureaucratic Leadership
8. Charismatic Leadership
9. Coaching Leadership

**Autocratic leadership style:** In this style of leadership, a leader has complete command and hold over their employees/team. The team cannot put forward their views even if they are best for the team's or organizational interests. They cannot criticize or question the leader's way of getting things done. The leader himself gets the things done. The advantage of this style is that it leads to speedy decision-making and greater productivity under leader's supervision. Drawbacks of this leadership style are that it leads to greater employee absenteeism and turnover. This leadership style works only when the leader is the best in performing or when the job is monotonous, unskilled and routine in nature or where the project is short-term and risky.

**The Laissez Faire Leadership Style:** Here, the leader totally trusts their employees/team to perform the job themselves. He just concentrates on the intellectual/rational aspect of his work and does not focus on the management aspect of his work. The team/employees are welcomed to share their views and provide suggestions which are best for organizational interests. This leadership style works only when the employees are skilled, loyal, experienced and intellectual.

**Democratic/Participative leadership style:** The leaders invite and encourage the team members to play an important role in decision-making process, though the ultimate decision-making power rests with the leader. The leader guides the employees on what to perform and how to perform, while the employees communicate to the leader their experience and the suggestions if any. The advantages of this leadership style are that it leads to satisfied, motivated and more skilled employees. It leads to an optimistic work environment and also encourages creativity. This leadership style has the only drawback that it is time-consuming.

**Bureaucratic leadership:** Here the leaders strictly adhere to the organizational rules and policies. Also, they make sure that the employees/team also strictly follows the rules and procedures. Promotions take place on the basis of employees' ability to adhere to organizational



rules. This leadership style gradually develops over time. This leadership style is more suitable when safe work conditions and quality are required. But this leadership style discourages creativity and does not make employees self-contented.

### **Transactional Leadership Style**

This leadership style is a superb source of motivation to get things done and keep the workforce happy at the same time. It is also an excellent way for the fair **rewards and recognition** program of a company and is highly directive.

Characteristics of Transactional Leadership Style

- This leadership style thrives on performance based on different sources of motivation. This group's leaders get the best out of a team through intrinsic and extrinsic sources of **employee motivation**. It can be **rewards, incentives, employee promotion** considerations, etc.
- Transactional leadership is prone to micromanagement. It is because the management is straightforward in its tasks and processes. It brings scrutiny, which can result in working under micromanagers.
- The leaders who follow this genre are practical in their approach. They know how to get things done, drive people, and solve problems with a pragmatic approach.
- A transactional approach can hinder **creativity at work** because it is very straightforward in its system. It eliminates the creative inputs of the workers.

Pros:

Transactional leadership diminishes confusion and guesswork, as the leader cites everything. It is also very motivating from the employees' point of view.

Cons:

Because this style is traditional in its set guidelines, it may halt innovation and creativity.

## **2. Transformational Leadership Style**

"If you want something new, you have to stop doing something old."  
– Peter Drucker

This leadership style rides on the concept of transforming existing processes into something better. Individuals following this style are always on the lookout for innovations to bring into the business processes.

Transformational leaders inspire and empower employees to better themselves and the company. Unlike transactional style, this promotes and gives total autonomy to let the employees' creative juices flow.

### **Characteristics of Transformational Leadership Style**

- The leaders of this style are great visionaries in their field. Due to their desire to seek innovations, they are often the pioneers of the different industries.
- This style relies on better **workplace communication**. In this form of leadership, there occurs an impeccable example of communication. It is because this type depends on finding better options through brainstorming and giving equal importance to all.
- Transformational leadership is also an excellent way of engaging workers. It has positive effects on employee input, career development, **employee satisfaction**, etc.

- There is also a certain appetite for risk in this leadership style type. This is because leaders are always on the lookout for better ways. It means going out of one's comfort zone.

Pros:

This style encourages a high level of **trust** in the workforce's abilities and helps them come up with new ideas towards a common goal. Creativity is let loose in transformational leadership.

Cons:

Since this style is always on the lookout for better ways, things may get unstable. It can result in confusion in the processes and among employees.

## **Charismatic Leadership Style**

The leaders of this style are masters of communication, persuasion with a sense of charm. Charismatic leaders are a valuable asset in the growth of a company and facing a crisis. By forming a deep understanding of people around, they can tilt things in their favor easily.

The leaders of this leadership style are very confident in their approach. They rarely have any self-doubt about their decisions and possess a very influential personality.

This leadership style also embodies excellent communication. It helps leaders be aware of a team and find solutions to answers. This also allows the leaders of this genre to be very persuasive in their management style.

The charismatic leadership style also builds some of the great visionaries in the industry. These leaders' will to look forward and derive results with their commanding personality often sets them apart.

Employees of an organization can feel comfortable in a charismatic approach. It is because leaders of this style are great from a worker's viewpoint. They are great listeners, risk-takers, have an innovative approach, etc.

Pros:

Charismatic leadership promotes creativity, teamwork, employee motivation, and a great sense of unity.

Cons:

Sometimes, leaders of this form can be self-centered and get an acknowledgment of being shallow.

## **Coaching Leadership Style**

As the name suggests, this leadership style stands its ground by mentoring workers. They are usually experts in their field of interest and are great communicators. This makes them perfect for coaching the workers towards greatness.

This leadership style is excellent for employee engagement. It is because this improves employee training and development. This is always crucial from a worker's viewpoint to grow a career.

Coaching leadership promotes better communication as a result of mentoring. It makes for great communicators in the workplace, which is vital in all cases.

The leader of this style also requires excellent interpersonal skills. It is so because a mentor must also be understanding rather than just being knowledgeable.

Coaching leadership is vital in situations like new hires. A coaching mentality will help them adjust well and learn the work quickly. Understanding all the points above, it is a crowd-favorite as well.

Pros:

It is great for employee engagement, training, workplace communication. Because of its mentoring nature, most workers will idolize the leaders as well.

Cons:

In a situation where the team is big, it can get troublesome at times. Since it is of a coaching nature, deriving results can take time while righting the wrong by oneself.

**POWER AND AUTHORITY – DEFINITION OF POWER – TYPES OF POWER.**

# Power and Politics

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This Chapter is divided into two parts. The first part deals with the concept of 'Power' and the second part discusses the concept of 'Organisational Politics'.

## POWER

### Meaning

'Power' is the capacity of a person to influence other persons and events. The word 'power' is often used synonymously with the word 'authority' although the two are different. Authority is the 'official right' of a person. It comes to him by virtue of his official position. Authority can be delegated (transferred) by a superior to his subordinate.

Power, which is the outcome of one's mental and physical qualities, does not come to a person by reason of his official status. It also cannot be transferred by one person to another.

### Definitions

Given below are a few definitions of the term 'power' offered by behavioural experts:

"Power is to be treated as a capacity that A has to influence the behaviour of B, so that B does something he or she would not otherwise do" – **Robbins**.

"Power is the ability to influence flows of the available resources towards certain goals as opposed to other goals. Power is assumed to be exercised only when these goals are at least partially in conflict with each other" – **Walter R. Nord**.

"Power is the ability to influence people or things, usually obtained through the control of important resources" – **White and Bednar**.

Power, thus, gives a person the capacity to influence.

**Coercive Power-** This kind of power involves the usage of threat to make people do what one desires. In the organizational set up, it translates into threatening someone with transfer, firing, demotions etc. it basically forces people to submit to one's demand for the fear of losing something.

**Reward Power-** As the name suggests, this type of power uses rewards, perks, new projects or training opportunities, better roles and monetary benefits to influence people. However an interesting aspect of this type of power is that, it is not powerful enough in itself, as decisions related to rewards do not rest solely with the person promising them, because in organizations, a lot of other people come into play like senior managers and board.

**Legitimate Power-** This power emanates from an official position held by someone, be it in an organization, beurocracy or government etc. The duration of this power is short lived as a person can use it only till the time he/she holds that position, as well as, the scope of the power is small as it is strictly defined by the position held.

**Expert Power-** This is a personal kind of power which owes its genesis to the skills and expertise possessed by an individual, which is of higher quality and not easily available. In such a situation, the person can exercise the power of knowledge to influence people. Since, it is very person specific and skills can be enhanced with time; it has more credibility and respect.

**Referent Power-** This is a power wielded by celebrities and film stars as they have huge following amongst masses who like them, identify with them and follow them. Hence, they exert lasting influence on a large number of people for a large number of decisions; like from what car to buy to which candidate to choose for a higher office in the country.

## **POWER AND AUTHORITY**

Authority is the formal right given to a manager to make decisions or to command. Power is the personal ability to influence others or events.

Power is an entity's or individual's ability to control or direct others, while authority is influence that is predicated on perceived legitimacy. Consequently, power is necessary for authority, but it is possible to have power without authority.



<b>BASIS FOR COMPARISON</b>	<b>POWER</b>	<b>AUTHORITY</b>
Meaning	Power means the ability or potential of an individual to influence others and control their actions.	The legal and formal right to give orders and commands, and take decisions is known as an Authority.
What is it?	It is a personal trait.	It is a formal right, given to the high officials.
Source	Knowledge and expertise.	Position & office
Hierarchy	Power does not follow any hierarchy.	Authority follows the hierarchy.
Resides with	Person	Designation
Legitimate	No	Yes

## UNIT – IV

### **Definition of Authority – Characteristics – Types of Authority. Morale – Concept - importance – Morale and Productivity – steps to improve Morale in an organization.**

Authority is the formal right given to a manager to make decisions or to command.

Authority is defined as the right to give orders, supervise the work of others & make certain decisions. It is linked with the managerial position to give orders & expect to follow the orders.

### **CHARACTERISTICS OF AUTHORITY**

Some of the important characteristics of authority are: (a) legitimacy (b) dominance (c) an informal power (d) rationality and (e) accountability.

Legitimacy, dominance, informality, rationality and accountability are the characteristics of authority.

#### ***(a) Legitimacy:***

It determines the effectiveness of authority. Hence it is the hall mark of the concept of authority. According to Robert Dahl “A commands B and B feels A has perfect right to do so and to which he has complete obligation to obey. Power of this kind is often said to be legitimate..... Legitimate power is often called authority.”

#### ***(b) Dominance:***

Authority is capacity of the individual to command others. An individual or a group which possesses authority exercises dominance over other individuals. Authority is a command of superior to an inferior.

#### ***(c) An informal power:***

It is not a formal power as it lacks characteristics which are the main features of power. According to Fredrick “Authority is not a power but something that accompanies power.” It is the quality in men and things which adds to their power, something which creates power but it is not itself power.

#### ***(d) Rationality:***

This is the main characteristic of authority. In the words of Fredrick, “The man who has authority possesses something that I would describe as the capacity for reasoned elaboration for giving convincing reasons for what he does or proposes to have others to do.” Evidently the basis of authority is logic or reason.

**(e) Accountability:**

The individual or a group of individuals who possess authority are responsible to some higher authority. In a democratic system accountability is the most significant characteristic of authority.

**Types of Authority in Management**

- Line Authority
- Staff Authority
- Functional Authority

**1. Line Authority**

The work of an employee is directed with the help of line authority. It takes the form of an employer-employee relationship that moves from top to bottom. Certain decisions are made by the line manager without consulting any other person. In some cases, line managers are differentiated from the staff managers by using the word “line”. The manager whose functions are linked directly with the achievement of organizational objectives is called line manager in simpler terms.

**2. Staff Authority**

Staff authority is possessed by the staff managers. The objectives of the organization determine the line & staff nature of the functions of any manager. When the size of the organization becomes larger & larger, the line managers feel that they cannot complete their jobs by the existing skills, experience & knowledge which are not updated accordingly. Therefore staff authority is generated for the staff whose main purpose is to assist, support, advice & decrease the work burden of the line managers.

**3. Functional Authority**

The functional authority that is also known as functional control, and is included in the area of the line & staff aspects of **HRM** as it is the special authority that is exercised by the personnel manager in coordinating the personnel activities. The HR manager here performs his functions as the right arm of the supreme executive.

**Academic authority**

This authority is not the one which is found in colleges held by teachers and professors. Academic authority means to motivate your juniors’ colleagues or followers by helping them with a good theoretical knowledge of a particular subject.

**Charismatic authority**

The charismatic authority of leadership is based heavily on the characteristic of a certain individual and not on the knowledge and expertise of that person. A person with unique, exemplary and glorious character can possess charismatic authority.

They are often considered about the other people all the most of the times that perception is deemed to be incorrect. For example, Adolf Hitler was considered to be charismatic by a lot of people but the entire world knows that he was not

### **Expert authority**

When a person is an expert in a particular subject or subject area, he or she possesses an expert authority. These Type of authorities tend to specialize only in one area and that is the reason why the opinions of these people are extremely valuable.

### **Founder authority**

Generally held by a founding member of an organization this authority is seen with the person who has motivation devotion along with immense expertise to manage people and organization. Founders have well-defined roles they are self-motivated and they have a deep interest and thirst for knowledge in their particular organization which makes them involved more than any other person in the organization.

### **Organizational position authority**

The people who are in charge of a major project are conferred with organizational position authority. It refers to the authority granted only for that particular project which implies that once the project has successfully ended or for some reason terminated, the authority and ends along with it.

<https://www.marketing91.com/types-of-authority/>

### **Morale – Concept - importance – Morale and Productivity – steps to improve Morale in an organization.**

Morale is a state of mind or willingness to work which in turn affects individuals and organizational objectives.

According to Flippo "morale is a mental condition or attitudes of individuals and groups which determine their willingness to co-operate. Good morale is evidenced by employee enthusiasm, voluntary conformance with regulation and orders and a willingness, to cooperate with others in the accomplishment of an organization's objectives. Poor morale is evidenced by surliness, insubordination, a feeling of discouragement and dislike of the job, company and associates. "

### **Characteristics of Morale**

- Morale is a state of mind.
- Morale is a relative term it may be high or low.
- Morale is intangible.
- It is the aggregate of attitudes, feelings, emotions, sentiments etc.

- Morale influences human behavior and performance.

### **Importance of Morale**

Morale is a state of mind or willingness to work which in turn affects individual and organizational objectives. The importance of morale are:

- Higher performance.
- Better quality of work.
- Low absenteeism.
- Fewer industrial accidents.
- Stability and growth of the organization.

Morale is an important part of organizational climate. It is a vital ingredient of organization success because it reflects the attitudes and sentiments of organizational members towards the organization, its objectives, and policies. Morale is the total satisfaction that employees derive from their job, their work group, their boss, their organization and their environment.

### **Benefits of High Morale:**

**Morale of employees must be kept high to achieve the following benefits:**

1. Willing cooperation towards objectives of the organization.
2. Loyalty to the organization and its leadership or management
3. Good discipline—voluntary conformity to rules and regulations
4. High degrees of employees' interest in their jobs and organization
5. Pride in the organization
6. Reduction of rates of absenteeism and labour turnover
7. Happy employees are productive employees

It is very important to the overall growth of the organization. People and groups having high morale generally results in the following behavior-

Higher productivity as compared to peers

Showing up on time

Improved attention to details

Increased Focus on the task

Increased and constructive communication with fellow workers

Improved attendance

A decrease in workplace accidents and injuries



## Morale and Productivity

### Morale and Productivity

Though there is a belief that low productivity is associated with low morale and high productivity with high morale, research studies in the past have shown no definite direct relationship between morale and productivity. It means that there can be four possible relationships between the two as shown below:

The association between morale and productivity is explained below:

<i>High Morale and High Productivity</i>	<i>Low Morale and High Productivity</i>
<i>High Morale and Low Productivity</i>	<i>Low Morale and High Productivity</i>

**Figure 16.1 – Morale vs. Productivity**

**1. High Morale and High Productivity** – High employee morale results in high productivity when the following conditions are present:

- (i) There is no clash between personal and organisational goals.
- (ii) The superior –subordinate relationship is cordial.
- (iii) There is perfect understanding between employees.
- (iv) The working conditions are conducive for work.
- (v) The employees are properly motivated through financial and non-financial rewards.

- (vi) The management policies and practices are liked by the employees.
- (vii) The employees do not feel the work pressure.
- (viii) The employees' personal life gives them happiness.

2. **High Morale and Low Productivity** – Such a situation arises under the following circumstances:

- (i) Lack of planning and execution of business activities.
- (ii) Unavailability of raw-materials.
- (iii) Unavailability of power.
- (iv) Breakdown of machines.
- (v) Fall in demand for the company's goods and services.
- (vi) Lack of working capital.

3. **Low Morale and High Productivity** – Low morale is associated with high productivity under the following circumstances:

- (i) Fear of pay cut.
- (ii) Fear of disciplinary action.
- (iii) Fear of losing job.
- (iv) Enterprise relying more on machines.

4. **Low Morale and Low Productivity** – Such an association occurs under the following circumstances:

- (i) Poor superior – subordinate relationships.
- (ii) Misunderstandings between employees.
- (iii) Excessive complaints and grievances.
- (iv) Work pressure.
- (v) Inadequate supervision.
- (vi) Personal worries.

#### Steps to improve employee morale

The following measures are necessary to improve the morale of employees:

1. **Selection of right man for the right job** – Proper care must taken while recruiting persons for various jobs. Persons without attitude and aptitude for work should not be selected. When it comes to placement of workers, they should be given jobs in tune with their educational qualifications, skills, attitudes and abilities.

2. **Satisfactory conditions of service** – All those who have been appointed in the organisation should be provided with job security. They should be given decent pay. Social security benefits like provident fund, insurance etc., should be provided to employees as per the rules.



3. **Conducive working environment** – The working environment should be made informal. Undue importance need not be given to hierarchy. The organisation should make use of both formal and informal channels of communication. The bureaucratic approach of the management should go.
4. **Conducive physical conditions** – The place of work should be neat and tidy. There should be free flow of natural light and air in any workroom. There should be proper provision for canteen, lunchroom, toilet etc.
5. **Better work methods** – Conventional work methods and age-old practices should be given up. The enterprise should come forward to adopt the latest technology. The employees may be trained to make use of the various electronic devices in their day-to-day work. This not only simplifies their work but also makes it more interesting.
6. **Proper superior-subordinate relationship** – The relationship between the superior and the subordinate should always be cordial. The superior's style of functioning must be democratic. He should not make an attempt to impose his ideas on his subordinates. Wherever necessary and possible, he can seek his subordinates' viewpoints. Likewise, the subordinates, on their part, must repose faith in their superiors and come forward to accept responsibilities.
7. **Good inter-personal relationships** – The relationships between the employees should also be proper. The work done in any organisation is teamwork. In the absence of proper understanding between the employees, teamwork is not possible. The employees should not give scope for their personal interests to clash with those of the organisation.
8. **Provision of suitable incentives** – Only human resource can be induced to work. Inanimate objects like machines cannot be motivated to work. The management, therefore, should offer suitable incentives to motivate employees to perform better. Incentives need not be in the form of money payments. There are also non-monetary incentives. Further, these incentives may be given for individual performance or group performance.
9. **Evaluation of employee performance** – The performance of employees needs to be assessed at regular intervals. Such an assessment will reveal their level of efficiency. Such of those employees who are found to be highly efficient may be given suitable rewards. Those employees who are less efficient may be made to undergo training to acquire better skills. If some employees are found to be highly inefficient, such people need not be retained. It is only these people who spoil the work atmosphere in any organisation.
10. **Job rotation** – If certain jobs are, by nature, dull and monotonous, job rotation may help to break the monotony of workers, i.e., such jobs may be assigned to workers operating at a certain level by rotation.

**11. Sound promotion and transfer policy** – The organisation should follow a sound promotion and transfer policy. No employee should be made to serve in the same job for an indefinite period. Employees should have enough scope to move to higher level jobs. This may be possible if they enrich their academic qualifications and acquire greater skill and experience. Likewise, if the enterprise has branches in other places, the employees of a branch may be transferred to some other branch. This, the enterprise can do as a matter of policy. It is appropriate to mention here that the Central Government employees, in India, are liable for transfer from one region to another. Similarly, the State Government employees are liable for transfer to any place within the State.

**12. Grievance redressal machinery** – Employees are bound to have certain grievances over the work environment, physical conditions etc. Proper machinery shall be established in the organisation for the redressal of all such grievances.

**13. Workers' participation in management** – Both the workers and the management, these days, are considered as equal partners in business. If the management's contribution is capital, workers provide the required labour. It, therefore, becomes clear that the management should not take unilateral or one-sided decisions. The workers should also be involved in the process of decision-making. When the management comes forward to involve the workers in decision-making, there will not be any scope for confrontation.

**14. Counselling** – Employees do undergo stress owing to domestic and work-related problems. With such a condition, they will not be able to concentrate in their work. The main objective of human resource management is to ensure optimum utilisation of manpower. The human resource manager, therefore, should provide what is called 'Counselling' to enable the employees get rid of their stress. A specialist may also be employed for the purpose of providing counselling to employees.



## UNIT – V

### **Motivation – Nature – significance – Theories of Motivation – Maslow’s need hierarchy theory – McGregor’s theory X and Theory Y – Herzberg Two Factor Theory.**

Motivation is the process that initiates, guides, and maintains goal-oriented behaviors. It is what causes you to act, whether it is getting a glass of water to reduce thirst or reading a book to gain knowledge. Motivation involves the biological, emotional, social, and cognitive forces that activate behavior.

“A motive is an inner state that energizes, activates, or moves and directs or channels behaviour goals.”

“Motivation is the complex of forces starting and keeping a person at work in an organization.” Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be -

- desire for money
- success
- recognition
- job-satisfaction
- team work, etc

One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the **role of a leader** is to arouse interest in performance of employees in their jobs. The process of motivation consists of three stages:-

1. A felt need or drive
2. A stimulus in which needs have to be aroused
3. When needs are satisfied, the satisfaction or accomplishment of goals.

#### **Nature of Motivation:**

Motivation is a psychological phenomena which generates within an individual. A person feels the lack of certain needs, to satisfy which he feels working more. The need satisfying ego motivates a person to do better than he normally does.

From definitions given earlier the following inferences can be derived:

1. Motivation is an inner feeling which energizes a person to work more.

2. The emotions or desires of a person prompt him for doing a particular work.
3. There are unsatisfied needs of a person which disturb his equilibrium.
4. A person moves to fulfill his unsatisfied needs by conditioning his energies.
5. There are dormant energies in a person which are activated by channelizing them into actions.

#### Types of Motivation:

When a manager wants to get more work from his subordinates then he will have to motivate them for improving their performance. They will either be offered incentive for more work, or may be in the shape of rewards, better reports, recognition etc., or he may instill fear in them or use force for getting desired work.

The following are the types of motivation:

#### **1. Positive Motivation:**

Positive motivation or incentive motivation is based on reward. The workers are offered incentives for achieving the desired goals. The incentives may be in the shape of more pay, promotion, recognition of work, etc. The employees are offered the incentives and try to improve their performance willingly.

#### **2. Negative Motivation:**

Negative or fear motivation is based on force or fear. Fear causes employees to act in a certain way. In case, they do not act accordingly then they may be punished with demotions or lay-offs. The fear acts as a push mechanism. The employees do not willingly co-operate, rather they want to avoid the punishment.

<https://www.yourarticlelibrary.com/entrepreneurship/motivation>

### **IMPORTANCE OR SIGNIFICANCE OF MOTIVATION**

Motivation is a very important for an organization because of the following benefits it provides:

#### **1. Puts human resources into action**

Every concern requires physical, financial and human resources to accomplish the goals. It is through motivation that the human resources can be utilized by making full use of it. This can be done by building willingness in employees to work. This will help the enterprise in securing best possible utilization of resources.

#### **2. Improves level of efficiency of employees**

The level of a subordinate or an employee does not only depend upon his qualifications and abilities. For getting best of his work performance, the gap between ability and

willingness has to be filled which helps in improving the level of performance of subordinates. This will result into-

- a. Increase in productivity,
- b. Reducing cost of operations, and
- c. Improving overall efficiency.

### **3. Leads to achievement of organizational goals**

The goals of an enterprise can be achieved only when the following factors take place :-

- a. There is best possible utilization of resources,
- b. There is a co-operative work environment,
- c. The employees are goal-directed and they act in a purposive manner,
- d. Goals can be achieved if co-ordination and co-operation takes place simultaneously which can be effectively done through motivation.

### **4. Builds friendly relationship**

Motivation is an important factor which brings employees satisfaction. This can be done by keeping into mind and framing an incentive plan for the benefit of the employees. This could initiate the following things:

- a. Monetary and non-monetary incentives,
- b. Promotion opportunities for employees,
- c. Disincentives for inefficient employees.

In order to build a cordial, friendly atmosphere in a concern, the above steps should be taken by a manager. This would help in:

- iv. Effective co-operation which brings stability,
- v. Industrial dispute and unrest in employees will reduce,
- vi. The employees will be adaptable to the changes and there will be no resistance to the change,
- vii. This will help in providing a smooth and sound concern in which individual interests will coincide with the organizational interests,
- viii. This will result in profit maximization through increased productivity.

### **Leads to stability of work force**

Stability of workforce is very important from the point of view of reputation and goodwill of a concern. The employees can remain loyal to the enterprise only when they have a feeling of participation in the management. The skills and efficiency of employees will always be of advantage to employees as well as employees. This will lead to a good public image in the market which will attract competent and qualified people into a concern. As it is said, "Old is gold" which suffices with the role of motivation here, the

older the people, more the experience and their adjustment into a concern which can be of benefit to the enterprise.

From the above discussion, we can say that motivation is an internal feeling which can be understood only by manager since he is in close contact with the employees. Needs, wants and desires are inter-related and they are the driving force to act. These needs can be understood by the manager and he can frame motivation plans accordingly. We can say that motivation therefore is a continuous process since motivation process is based on needs which are unlimited. The process has to be continued throughout.

We can summarize by saying that motivation is important both to an individual and a business. **Motivation is important to an individual as:**

1. Motivation will help him achieve his personal goals.
2. If an individual is motivated, he will have job satisfaction.
3. Motivation will help in self-development of individual.
4. An individual would always gain by working with a dynamic team.

Similarly, **motivation is important to a business as:**

1. The more motivated the employees are, the more empowered the team is.
2. The more is the team work and individual employee contribution, more profitable and successful is the business.
3. During period of amendments, there will be more adaptability and creativity.
4. Motivation will lead to an optimistic and challenging attitude at work place.

**Theories of Motivation – Maslow’s need hierarchy theory – McGregor’s theory X and Theory Y – Herzberg Two Factor Theory.**

### **Maslow’s need hierarchy theory**

Abraham Maslow is well renowned for proposing the Hierarchy of Needs Theory in 1943. This theory is a classical depiction of human motivation. This theory is based on the assumption that there is a hierarchy of five needs within each individual. The urgency of these needs varies. These five needs are as follows-

**Physiological needs-** These are the basic needs of air, water, food, clothing and shelter. In other words, physiological needs are the needs for basic amenities of life.

**Safety needs-** Safety needs include physical, environmental and emotional safety and protection. For instance- Job security, financial security, protection from animals, family security, health security, etc.

**Social needs-** Social needs include the need for love, affection, care, belongingness, and friendship.





**Esteem needs**- Esteem needs are of two types: internal esteem needs (self- respect, confidence, competence, achievement and freedom) and external esteem needs (recognition, power, status, attention and admiration).

**Self-actualization need**- This include the urge to become what you are capable of becoming / what you have the potential to become. It includes the need for growth and self-contentment. It also includes desire for gaining more knowledge, social- service, creativity and being aesthetic. The self- actualization needs are never fully satiable. As an individual grows psychologically, opportunities keep cropping up to continue growing.

According to Maslow, individuals are motivated by unsatisfied needs. As each of these needs is significantly satisfied, it drives and forces the next need to emerge. Maslow grouped the five needs into two categories - Higher-order needs and Lower-order needs. The physiological and the safety needs constituted the lower-order needs. These lower-order needs are mainly satisfied externally. The social, esteem, and self-actualization needs constituted the higher-order needs. These higher-order needs are generally satisfied internally, i.e., within an individual. Thus, we can conclude that during boom period, the employees lower-order needs are significantly met.

### **Implications of Maslow's Hierarchy of Needs Theory for Managers**

As far as the physiological needs are concerned, the managers should give employees appropriate salaries to purchase the basic necessities of life. Breaks and eating opportunities should be given to employees.

As far as the safety needs are concerned, the managers should provide the employees job security, safe and hygienic work environment, and retirement benefits so as to retain them.

As far as social needs are concerned, the management should encourage teamwork and organize social events.

As far as esteem needs are concerned, the managers can appreciate and reward employees on accomplishing and exceeding their targets. The management can give the deserved employee higher job rank / position in the organization.

As far as self-actualization needs are concerned, the managers can give the employees challenging jobs in which the employees' skills and competencies are fully utilized. Moreover, growth opportunities can be given to them so that they can reach the peak.

The managers must identify the need level at which the employee is existing and then those needs can be utilized as push for motivation.

### **McGregor's theory X and Theory Y**

In 1960, Douglas McGregor formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees): one of which is negative, called as Theory X and the other is positive, so called as Theory Y. According to McGregor, the perception of managers on the nature of individuals is based on various assumptions.

#### **Assumptions of Theory X**

An average employee intrinsically does not like work and tries to escape it whenever possible. Since the employee does not want to work, he must be persuaded, compelled, or warned with punishment so as to achieve organizational goals. A close supervision is required on part of managers. The managers adopt a more dictatorial style.

Many employees rank job security on top, and they have little or no aspiration/ ambition.

Employees generally dislike responsibilities.

Employees resist change.

An average employee needs formal direction.

#### **Assumptions of Theory Y**

Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.

Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.

If the job is rewarding and satisfying, then it will result in employees' loyalty and commitment to organization.

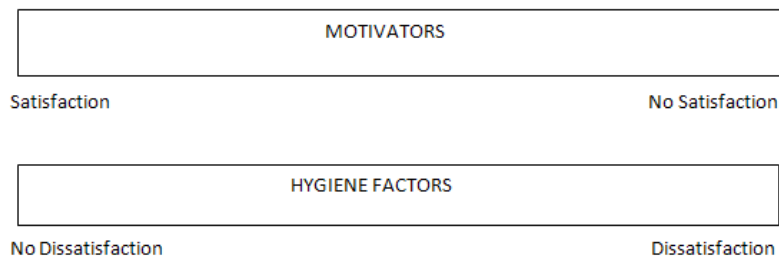
An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.

The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Thus, we can say that Theory X presents a pessimistic view of employees' nature and behaviour at work, while Theory Y presents an optimistic view of the employees' nature and behaviour at work. If correlate it with Maslow's theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory Y is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

## Herzberg Two Factor Theory.

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



**FIGURE: Herzberg’s view of satisfaction and dissatisfaction**

Herzberg classified these job factors into two categories-

- a. **Hygiene factors**- Hygiene factors are those job factors which are essential for existence of motivation at workplace. These do not lead to positive satisfaction for long-term. But if these factors are absent / if these factors are non-existent at workplace, then they lead to dissatisfaction. In other words, hygiene factors are those factors which when adequate/reasonable in a job, pacify the employees and do not make them dissatisfied. These factors are extrinsic to work. Hygiene factors are also called as **dissatisfiers or maintenance factors** as they are required to avoid dissatisfaction. These factors describe the job environment/scenario. The hygiene factors symbolized the physiological needs which the individuals wanted and expected to be fulfilled. Hygiene factors include:
  - Pay - The pay or salary structure should be appropriate and reasonable. It must be equal and competitive to those in the same industry in the same domain.
  - Company Policies and administrative policies - The company policies should not be too rigid. They should be fair and clear. It should include flexible working hours, dress code, breaks, vacation, etc.
  - Fringe benefits - The employees should be offered health care plans (medic laim), benefits for the family members, employee help programmes, etc.
  - Physical Working conditions - The working conditions should be safe, clean and hygienic. The work equipments should be updated and well-maintained.
  - Status - The employees’ status within the organization should be familiar and retained.
  - Interpersonal relations - The relationship of the employees with his peers, superiors and subordinates should be appropriate and acceptable. There should be no conflict or humiliation element present.
  - Job Security - The organization must provide job security to the employees.

- b. **Motivational factors-** According to Herzberg, the hygiene factors cannot be regarded as motivators. The motivational factors yield positive satisfaction. These factors are inherent to work. These factors motivate the employees for a superior performance. These factors are called satisfiers. These are factors involved in performing the job. Employees find these factors intrinsically rewarding. The motivators symbolized the psychological needs that were perceived as an additional benefit. Motivational factors include:
- Recognition - The employees should be praised and recognized for their accomplishments by the managers.
  - Sense of achievement - The employees must have a sense of achievement. This depends on the job. There must be a fruit of some sort in the job.
  - Growth and promotional opportunities - There must be growth and advancement opportunities in an organization to motivate the employees to perform well.
  - Responsibility - The employees must hold themselves responsible for the work. The managers should give them ownership of the work. They should minimize control but retain accountability.
  - Meaningfulness of the work - The work itself should be meaningful, interesting and challenging for the employee to perform and to get motivated.

## QUESTIONS

### Unit 1

Explain the Nature of Organizational Behaviour

Enumerate the Disciplines contributing to Organizational Behaviour.

### UNIT – II

What are the positive and negative individual behavior?

Explain the factors influencing individual behavior.

What are the Determinants of personality?

Explain the Factors influencing personality.

Write short notes on Formal and Informal Group.

### UNIT – III

What are the Qualities of effective Leadership?

Explain the different types of Leadership styles.

Distinguish Power and Authority

What are the different Types of Power?

### UNIT – IV

What are the Characteristics of authority?

Explain the different Types of Authority.

State the importance of motivation

Bring out the relationship between Morale and Productivity.

Explain the steps to improve Morale in an organization.

### UNIT – V

Explain the Nature of motivation.

State the significance of motivation.

Explain the Maslow's need hierarchy theory.

Explain the McGregor's theory X and Theory Y

Explain the Herzberg Two Factor Theory.