

PUBLIC ADMINISTRATION OPTIONAL



VALUE ADD NOTES

**Baba's Foundation
Course 2022**

CHAPTER - 3:

ADMINISTRATIVE BEHAVIOR:

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Administrative Behavior

Process of decision-making:

Definitions:

❖ According to **Haynes and Massie**, “*a decision is a course of action which is consciously chosen for achieving a desired result*”.

❖ According to **R. A. Killian**, “*A decision in its simplest form is a selection of alternatives*”.



Some quotes on decision making:

- ★ **Simon**- *“Decision making involves all kinds of business activity”*
- ★ **Peter Drucker**- *"Wherever you see a successful business, someone once made a courageous decision."*
- ★ **John Peace**- *"The worst business decision you can make is no decision. Waiting is what's gotten us in the situation we're in now."*
- ★ **Elia Kazan**-*"What's called a difficult decision is a difficult decision because either way you go there are penalties."*

Example for the process:

- **Identifying the purpose:** Farmers suicide
- **Information gathering** – National Survey on agriculture
- **Principles of judging the alternatives** – whether to corporatize, or increase government support, support at grass root level, etc.

- **Brainstorm**: MSP, Contract farming, FPOs, government regulation of farming (as done in Andhra Pradesh), etc
- **Best Alternative**: that is acceptable by all the stake holders – contract farming
- **Execute**: Guide the farmers by appointing Village agriculture activists.
- **Evaluate**: the change in the quality of life of farmers.

Types of decision making:

- 1) Personal and Organizational
- 2) Individual and Group decisions
- 3) Programmed and non programmed decisions
- 4) Strategic and administrative routine decisions

According to Stanley Vance decision-making consists of the following six steps:

1. Perception.
2. Conception.
3. Investigation.

4. Deliberation.

5. Selection.

6. Promulgation

Techniques of decision making:

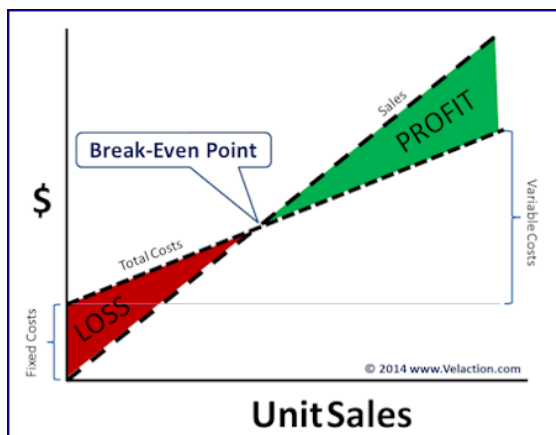
1. Marginal Analysis: Paul Samuelson- “*extra output that is obtained by adding an extra unit of input variable, everything else remaining constant*”

Ex: The profit an iron smelting company makes by adding carbon into iron and manufacturing steel.

2. Cost –effective analysis: Koontz, O’Donnell and Weihrich have written that “*Cost models may be developed to show cost estimates for each alternative and its effectiveness*”.

Ex: cost of saved by buying diesel car compared to petrol cars – but the effect of pollution by these cars are huge.

3. Break even analysis:



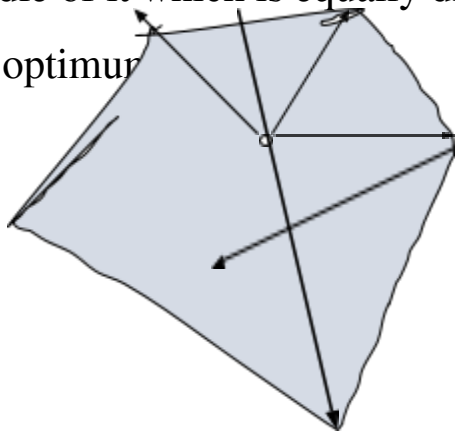
A break-even analysis is a useful tool for determining at what point your *company, or a new product or service, will be profitable.*

❖ Put another way, it's a financial calculation used to determine the number of products or services you need to sell to at least cover your costs. When you've broken even, you are neither losing money nor making money, but all your costs have been covered.

4. Linear programming (LP, also called linear optimization) is a method to achieve the best outcome (such as maximum profit or lowest cost) in a mathematical model whose requirements are represented by linear relationships. Linear programming is a special case of mathematical programming (also known as mathematical optimization).

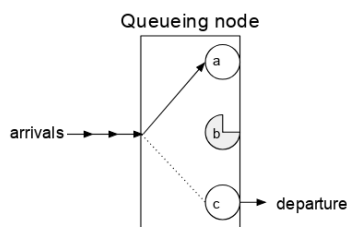
In the figure below its 5 vertices depict four constraints in a project.

Finding a point in the middle of it which is equally distanced from all the 4 vertices, ensures the optimum



5. Queuing:

- Queuing theory is the mathematical study of *waiting lines, or queues*. A queuing model is constructed so that queue lengths and waiting time can be predicted.
- Queuing theory has its origins in research by **Agner Krarup Erlang** when he created models to describe the system of **Copenhagen Telephone Exchange Company, a Danish company**.
- The ideas have since seen applications including *telecommunication, traffic engineering, computing and, particularly in industrial engineering, in the design of factories, shops, offices and hospitals, as well as in project management.*

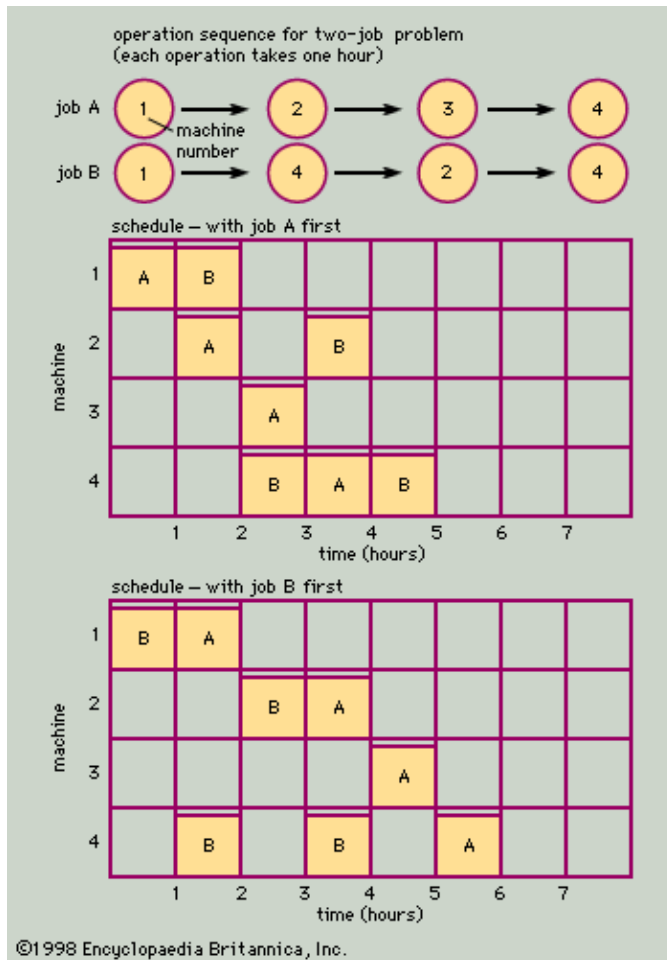


In the figure there is a queuing node with 3 servers. Server **a** is idle, and thus an arrival is given to it to process. Server **b** is currently busy and will take some time before it can complete service of its job. Server **c** has just completed service of a job and thus will be next to receive an arriving job.

6. Operation Research:

- Employing techniques from other mathematical sciences, such as mathematical modeling, statistical analysis, and mathematical

optimization, operations research arrives at optimal or near-optimal solutions to complex decision-making problems.



➤ As this is a different field in itself – it is so vast that it cannot be explained with a single example.

➤ However, the figure below is the way how two jobs are being carried by 8 machines with exact coordination, so that minimum wastage of cost, time and energy.

➤ And also it is stunning to see how quickly the machines coordinate and do the work as

per the pre-set chart shown.

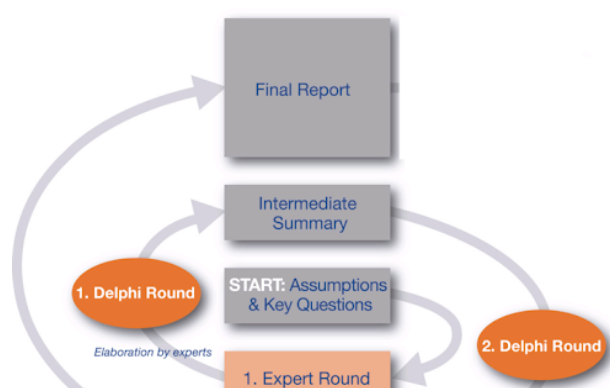
7. Delphi technique:

- ❖ The Delphi method was originally conceived in the 1950s by Olaf Helmer and Norman Dalkey of the Rand Corporation.
- ❖ The name refers to the Oracle of Delphi, a priestess at a temple of Apollo in ancient Greece known for her prophecies.

- ❖ The Delphi method allows experts to work toward a mutual agreement by conducting a circulating series of questionnaires and releasing related feedback to further the discussion with each subsequent round.

How the Delphi Method Works:

- ★ First, the group facilitator selects a group of experts based on the topic being examined. Once all participants are confirmed, each member of the group is sent a questionnaire with instructions to comment on each topic based on their personal opinion, experience, or previous research.
- ★ The questionnaires are returned to the facilitator who groups the comments and prepares copies of the information. A copy of the compiled comments is sent to each participant, along with the opportunity to comment further.
- ★ At the end of each comment session, all questionnaires are returned to the facilitator who decides if another round is necessary or if the results are ready for publishing. The questionnaire rounds can be repeated as many times as necessary to achieve a general sense of consensus.



Ex: Prioritizing the COVID vaccine

Experts from - health, finance, administration, scientific research etc called.

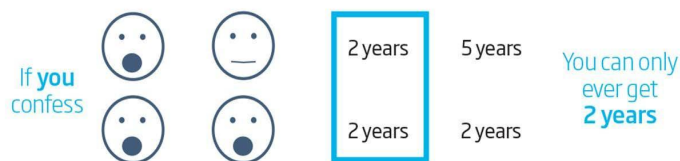
- ★ Three to four preference lists are framed by all experts. Then reviewed by the head of the team
- ★ New problems are detected, fresh instructions are given – the finalized list is sent to all the experts to make alterations.
- ★ Procedure goes on – till the list is finalized.

8. Game theory:

- ❖ Game theory is the study of mathematical models of strategic interaction among rational decision-makers. It has applications in all fields of social science, as well as in logic, systems science and computer science.
- ❖ The figure shows the mind game of you after you commit a crime with an accomplice. And both are being brought before the prosecution.
- ❖ As shown in the figure Game theory needs to consider the opponent or the competitors’ strategies before taking the decision.



Additional:



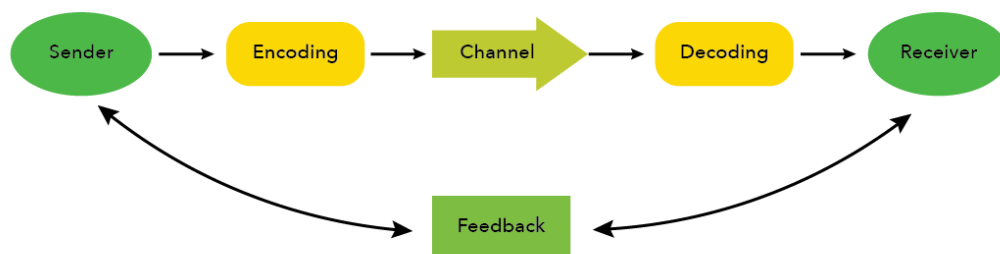
- Stochastic process
- Markov's decision making Process
- Pareto's process, etc

Communication:

The Communication-Process Model

★ The communication process may seem simple: one person sends a message and others receive it. The process becomes more complex, however, because the information in the message must be sent and received accurately. The communication-process model describes how the information is sent and received.

★ The following diagram shows this model: **This is called the Shannon and Weaver's model**



❖ **Chester Bernard “Organization is the character of communication by virtue of which it is accepted”**

Bernard's character of communication:

- ★ **Clarity:** clear channels of communication
- ★ **Legitimacy:** Communication should come by legal authority and at the legitimate situation. Ex: It is legitimate for the police officers to order even the minister to forbid from entering the spot of communal riot.
- ★ **Compatibility:** the goals of message being communicated should match with the goal of the worker. Individual interest should be victimized while enhancing group interest. Example – ordering to work on festivals, at the same time giving bonus;
- ★ **Capability:** Communication should be as per the ability of the workers. Ex: it is against capability to order the workers to work 24 hours a day.

Herbert Simon's Barriers of communication:

Semantic barrier:

- ❖ Most jargons consist of unfamiliar terms, abstract words, non-existent words, acronyms, and abbreviations, with an occasional euphemism thrown in for good measure.
- ❖ Workers should be trained to use such **Jargons**.

Selective perception:

- ❖ Over time, however, we begin to make assumptions about the way things are on the basis of our past experience. Often, much of this process is unconscious. *“We simply are bombarded with too much stimuli every day to pay equal attention to everything so we pick and choose according to our own needs.”* Selective perception is a time-saver, a necessary tool in a complex culture. But it can also lead to mistakes.

Filtering barrier:

- Filtering is the distortion or withholding of information to manage a person’s reactions.
- Some examples of filtering include a manager who keeps her division’s poor sales figures from her boss, fearing that the bad news will make him angry.

Information overloading:

- ★ It occurs when the information processing demands on an individual’s time to perform interactions and internal calculations exceed the supply or capacity of time available for such processing.

Emotional disconnect:

- ❖ **Emotional disconnects** happen when the Sender or the Receiver is upset, whether about the subject at hand or about some unrelated incident that may have happened earlier.
- ❖ An effective communication requires a Sender and a Receiver who are open to speaking and listening to one another, despite possible differences in opinion or personality.

Lack of source credibility:

- ★ Workplace gossip, also known as the grapevine, is a lifeline for many employees seeking information about their company.
- ★ Researchers agree that the grapevine is an inevitable part of organizational life. Research finds that 70% of all organizational communication occurs at the grapevine level.
- ★ Employees trust their peers as a source of Messages, but the grapevine's informal structure can be a barrier to effective communication from the managerial point of view. Its grassroots structure gives it greater credibility in the minds of employees than information delivered through official channels, even when that information is false.

Gender difference:

- ❖ Men and women work together every day. But their different styles of communication can sometimes work against them. Generally speaking, women like to ask questions before starting a project, while men tend to “**jump right in.**” A male manager who’s unaware of how many women communicate their readiness to work may misperceive a ready employee as not ready.
- ❖ **Biased language** can offend or stereotype others on the basis of their personal or group affiliation.
Ex: Businessman v/s Business person; Chairman v/s Chair person, etc

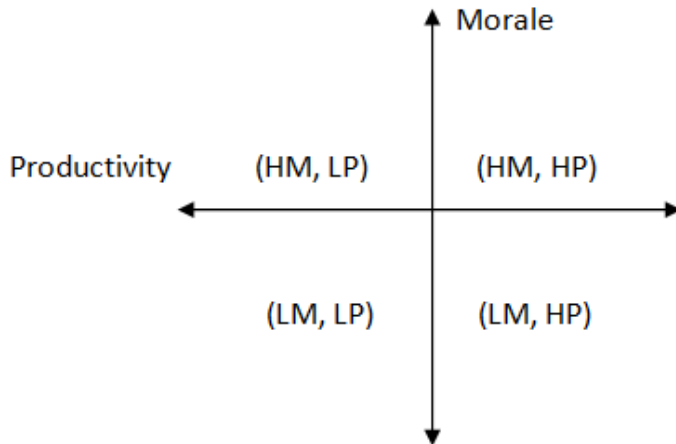
Poor listening (inattention):

- **Lee Iacocca** lamented, “*I only wish I could find an institute that teaches people how to listen*”.
- **Alan Gulick**, a Starbucks spokesperson, puts better listening to work in pursuit of better profits. If every Starbucks employee misheard one \$10 order each day, he calculates, their errors would cost the company a billion dollars annually.
- Active listening can be defined as giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

Morale:

Some quotes by scholars:

- **B. F. Goodrich** -“*Employee Satisfaction + Customer Satisfaction = Sustained Profitability*”
- **Milton Bennet** -“*in order to understand whether good morale leverages productivity, a company must first be able to measure morale*”.
- **Juergen Voges** “*there is often dialectic between morale and productivity*”.
- Employee morale is defined as the attitude, satisfaction and overall outlook of employees during their association with an organization or a business.
- Rensis Likert explains different combinations of morale and productivity Viz: high morale and low productivity (HM, LP); high morale and high productivity (HM, HP); low morale and high productivity (LM, HP); and low morale and low productivity (LM, LP)



HM, HP – Ideal organization;

All others are either intermediary stages, or such stages are non sustainable for the long run unless corrected.

LM, HP – can be in PSUs because here low morality of workers is compensated by government support, hence productivity is not affected.

HM, LP – is in NGOs, Start ups, where the workers are eager to work even in poor working conditions.

LM, LP – is the worst case.

- A company's work force is one of its greatest resources. Without employees, companies would not be able to implement strategies or realize growth. It's important for employers to take care of their work force and foster high morale so that they can keep their organizations running smoothly. Morale is the spirit of an

organization, and it manifests either positively or negatively among employees, teams and entire departments.

Good Morale:

- ❖ Morale is a way of describing how people feel about their jobs, employers and companies, and those feelings are tied to the behaviors and attitudes that employees exhibit in the workplace.
- ❖ When employees have good morale, they feel committed to their employers, loyal to their jobs and motivated to be productive. They work harder, produce more, meet deadlines and give it their all.

Low Morale

- ❖ According to BNET, a website that offers business management advice, low morale takes a toll on employee performance and productivity.
- ❖ Employees become less motivated to work; less committed to their employers, exhibits an attitude of indifference and is absent more often. Companies pay the consequences of low morale, as less work gets done and time and money are wasted.
- ❖ Such characteristics may not always indicate low morale. Be sure that you don't misdiagnose employees as having low morale when they may just be having a bad day. Low morale is indicated by a pattern of these behaviors and attitudes over time.

Factors affecting employee morale:

1. Organization Itself: While it may sound surprising, but the organization itself is one of the biggest and most important factors that affect employee morale. An organization influences an employee's attitude towards his/her work. The reputation of an organization can certainly build up for better or worse, their attitude towards it.

2. Type of work: The nature of work an employee is performing at his/her workplace also is greatly responsible to determine the morale. If the employee is expected to perform the same task day in and out, there is going to be boredom associated with it sooner or later. It can make situations worse for an employee. Unorganized organization structure also affects employees, if the employee feels that he/she is just a cog machine in a factory line, instead of a real person, this too may adversely affect their morale.

3. Personal attributes: Mental and physical health play an important role in determining employee morale. If the employee is not physically or mentally fit, this can be a potential obstacle in their progress and learning at their workplace. There are also other important factors that concern their progress and in turn their morale: age, education qualification, years of experience, occupational levels, reward perception, and similar factors.

4. Supervision and feedback: The level of supervision received by an employee is a tremendous factor that affects the morale. If the employees feel they have no direction or don't understand the organizational goals and commitments, then it is the job of the superiors and the leadership in the organization to get them on the same page. But there should not be too much interference too if the employees are given the freedom to work their morale will be high.

5. Work-Life balance: Most organizations fail to recognize the importance of a healthy work-life balance. It is important that the employees have some activities to relax while they are at work. It's not just about the foosball culture or an inventory stuffed with food. It is important that proper guidance and counseling is given to the employees whenever needed.

Ways to Boost Employee Morale:

- ❖ Employee morale is determined by how employees view their work environment and their overall level of satisfaction in their workplace.
- ❖ Employee morale has a direct effect on employee retention. A disinterested or unhappy employee will not stay for long in an organization that he/she cannot rationalize their goals and progress with.

Here are the 4 simple ways of boosting employee morale in your workplace as mentioned by HR leaders across the globe:

1. Streamline work based on skills: It is important for the Human Resources to recruit and assign people based on their skill set. You cannot hire a lawyer and expect him/her to carry out tasks that you would expect an engineer to do. Allowing people to work based on their competency is a win-win situation for both employees and employers.

Talent management is complex, yet necessary. If you cannot manage your employees and assign them tasks that they are hired to carry out then it's time to rethink your strategies because clearly, they will not yield the expected results. Therefore, make sure you invest in a competent human resources team, so the talent that is acquired performs well and stays happy.

2. Train them well for professional development: Most organizations fail to understand the importance of training their staff. Be it employee on-boarding or any other formal training process, employees should be well-equipped to perform their tasks at work and achieve their goals. There should be a budget assigned at the start of the financial year that facilitates the training and development program.

These training will help employees sharpen their skills, which will not only benefit them but also the organization. A well organized and self-sufficient workforce is every organization's dream, so pay for these courses that ignite imagination and spark curiosity, build confidence and leads to a high morale workforce.

3. Recognize and reward employees: Employee recognition and reward keeps your workforce motivated. When, as a leader, you create an environment where good work is appreciated, employees feel empowered and take a personal interest in the tasks they are assigned to them.

The purpose of employee recognition should be to reinforce what an organization wants an employee to do more. When an employee performs well to make sure to applaud his/her hard work and achievements; this will bring confidence to them to align their personal goals with that of the organization's goals.

4. Be open to feedback: Many organizations today, promote the open door policy, where an employee is free to express what they feel to their superiors or their reporting authorities because they are open to feedback.

- ❖ If your employees know their voice is being heard and they are considered as an integral part of the organization, this will reflect in their confidence.
- ❖ If the employees feel they cannot share information with you, there are greater chances that the information will never be conveyed to you rather will just make rounds within the team and you will be alienated from whatever is happening in your own team. Instead be receptive to feedback, transparency is the need of the hour for most organizations and so it should be.
- Finally, employee morale is not just the employee's responsibility or attitude. It is a collective responsibility of the employees and the organization to provide a conducive working environment and a workplace culture that exudes positivity and goodwill. Work culture is because of the employees and they should know the importance of values and morale. To achieve the best, it is important to first be the best.

Motivation theories:



★ **W. Scott**-“stimulating people into action to accomplish desirable goals”

1) Content theories of motivation:

❖ Theories of this school of thought are based on the needs, motives or desires that drive employees to get motivated and job satisfaction and work harder. Let's understand it better:

a) Maslow's need hierarchy theory:

➤ Maslow asserts that man's needs are basically five and are arranged in a pyramid from bottom to up starting with biological needs and ending at self actualization. He states that the fulfillment of one

need helps man to not want it anymore and thus he is motivated to proceed further up and achieve more.

➤ These needs are:

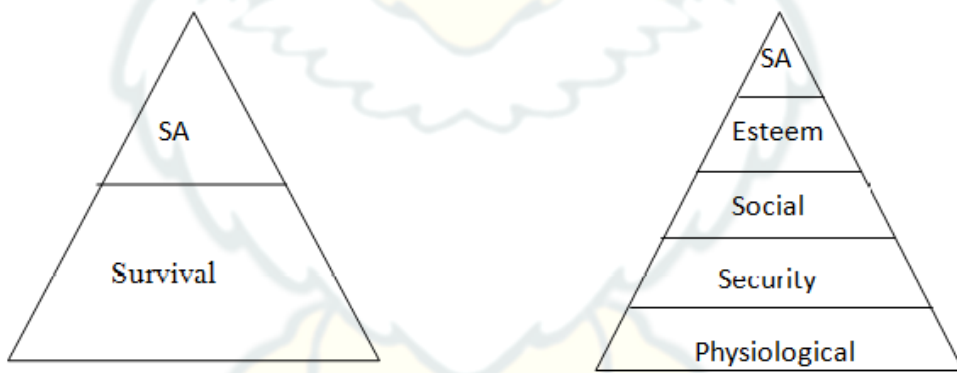
Biological needs like **hunger, thirst and other physiological needs**. Safety needs like security from physical and emotional harm and a wanting of a family and community.

Love and belonging needs like **affection, acceptance, friendship and affiliation**.

Esteem needs like **self-respect, autonomy and achievement, status, recognition and attention, etc.**

Self actualization needs like **growth, realizing one's actual potential and self fulfillment and becoming the best person one can be both professionally and personally.**

Abraham Maslow's need hierarchy theory:



SA- Self Actualisation- Kurt Goldstien” urge among human beings to actualize or realize the fullest potential given by god”;

★ **Limitations of Maslow’s theory:**

- ★ It is not been proven that once a need is satisfied that man will not want it again.
- ★ Not necessary that everyone will pursue self-actualization.
- ★ No practical evidence is presented to support his hypothesis that the needs are progressive that is if one is satisfied then man proceeds with motivation to achieve the next.
- ★ Hypothetical model of pyramidal needs that cannot be seen as suitable for explaining motivation at the work place as it is too generalized and prescriptive in nature.

Critics:

- 1. Why 5, why not 2, 3 or 6;
- Wabha and Birdwell: proposed only two orders;
- Defense: it was a comprehensive one;

2. Lawler and Suttle: human needs can arrive in any sequence

Defense: what he said was descriptive; exceptions are everywhere;

3. Against sequence: people want anything at anytime;

Defense: the sequence was necessary it is neither sufficient nor exhaustive;

★ **Clyton Alderfer-** “*wants never die in totality*”;

F. Herzberg -“*human wants require frequent replenishment*”;

4. Money capable of activating and satisfying all the needs;

Defense: wielding money for everything is ill advised;

Treatment of workers cannot be satisfied by money;

Relevance of Maslow’s theory:

His theory has provided managers with at least a framework to study and analyze human motivation and has helped them understand the general attitudes of employees towards work and to take appropriate steps to motivate them depending on what level of needs he is not having and would like to achieve. So, his theory applicable but is to be applied as per the situation.

b) **Herzberg’s two factor or twin factor theory of motivation:**

He believed that all individuals in a society have two sets of needs: to avoid pain and to grow psychologically. The twin factors that play a key role in motivation of an employee according to Herzberg are called Hygiene factors and Motivation factors.

Motivation factors are the factors that lead to job-satisfaction and those are job enrichment, achievement, recognition, challenge.

- These have a positive influence on job satisfaction, efficiency and higher productivity of an employee. The presence of these factors motivate the employee but their absence does not lead to job dissatisfaction as an employee might still like his job as it is and continue with no extra involvement or more involvement. So that is not considered job dissatisfaction which leads to lack of desire, opposition and drop in productivity, etc.

- Job dissatisfaction is caused by company policy and administration which are contradictory to the individual's goals, inept supervision practices, not up to the mark salary, interpersonal relations between employees and working conditions. Hygiene-factors help remove this dissatisfaction by improving them.

- Absence of hygiene factors might lead to job dissatisfaction but its presence does not guarantee motivation as motivational factors are related to the specifics of the job and responsibilities associated with it as mentioned above and not anything outside the job profile of an employee. A hygiene seeker employee will not be concerned with the substantive aspects of the job for what he is in the organization but will be interested in the complementary aspects of

the organization like his environment, etc. Whereas a motivation seeker employee looks for challenges in his job and is only bothered about his job responsibilities and how to netter and grow in it and is mostly an overachiever.

Limitations of Herzberg theory:

- Conducted study on only 200 engineers and accountants of nine companies in only a particular area of USA, so a very limited study was done.
- Not necessary that this always be the case, sometimes both get interchanged and each individual might combine features of both factors and get motivated if provided to him.
It has been seen that sometimes the hygiene factors also lead to a sense of job satisfaction.

Relevance:

- Outlined the factors specifically that an individual pays attention to in a organisation and this has helped a lot of managers to specifically take note of employees likes and dislikes and how to motivate him by improving those specific factors.

c) Alderfer's ERG theory of motivation:

- Influenced by Maslow's theory, he revised it and presented his Existence, Relatedness and Growth theory of motivation.
- The existence group of motivation is concerned with a man's **basic needs for survival and existence** (refer to Maslow's physiological and safety needs).
- The Relatedness group factors of motivation that are similar to Maslow's love need and external component of self esteem classification. Finally, **the Growth needs states man's need of personal growth and development and can be found in alignment with Maslow's esteem category and self actualization needs category.**
- However, Alderfer's theory is not rigid and suggests that more than one needs can be operating at the same time and if a higher need is not being able to get satisfied then the desire to satisfy the lower need increases.

d) McGregor's theory X and theory Y of motivation:

Theory X is the negative theory of motivation and is not advisable except in the most required or inevitable situations whereas Theory Y is the positive theory and is suggested.

Theory X assumes:

- 1) Workers have a natural dislike for work.
- 2) Workers do not like taking responsibility.

- 3) Workers do not like challenging tasks.
- 4) Workers work better in an environment of standardized rules and procedures.
- 5) Workers lack creativity and innovation.
- 6) Workers like to be directed or ordered and perform better when specific orders are directed at them.
- 7) For the motivation of workers carrot and stick arrangement can be used.

Whereas the positive Theory Y assumes:

- 1) Workers show interest towards work when they have sufficient work assigned.
- 2) Workers take responsibilities when they are provided with opportunity for recognition.
- 3) Workers take up challenging tasks when superiors show trust in them.
- 4) Workers work better when they are allowed necessary discretion in regards to selection of procedure and methods while performing a task.
- 5) Workers can be creative and innovative where they are provided sufficient space for the same.
- 6) Workers perform better when their “self” is allowed to operate.
- 7) Workers are seen to be motivated when they are provided with opportunities for advancement, learning and recognition.

e) David McClelland's Three Needs/Motives Theory:

1) Need for achievement: People have a compulsion to succeed and strive mostly for personal achievement rather than rewards. They want to do things better and more efficiently than what others have done. High achievers look for challenges and dislike succeeding by chance. Mostly people who are average achievers look for moderately challenging jobs and derive satisfaction after attaining them through calculated moves.

2) Need for power: Individuals seek for the power to influence or control the behaviors of others. Individuals seeking such needs like to be in a competitive and status oriented society and once that power is achieved it may be used constructively or destructively.

3) Need for affiliation: The desire to be liked and accepted by others. Individuals seeking these needs strive for friendship, co-operative situations rather than mutual understanding.

2) PROCESS THEORIES OF MOTIVATION:

- Proponents of these theories specialize and concentrate on the processes and techniques to be used to drive motivation in employees rather than simply concentrating on the psychological aspects of individuals. They argue that major determinants of performance are motivational levels, abilities and traits and role perceptions. Let's discuss them in detail here.

a) **Victor Vroom's Expectancy Theory Of Motivation:**

- ★ According to him people are motivated to do a job if they are convinced of the worth of that goal and if they see that their immediate actions will help them achieve it.
- ★ **His formula is: Force = Valence * Expectancy**, here force is strength of a person's motivation, valence is the strength of one individual's perception of an outcome and expectancy is the probability that a particular action will lead to a desired outcome.

b) **Porter And Lawler Expectancy Model Of Motivation:**

- According to this theory the amount of effort people are prepared to put in to accomplish a job depends on three intrinsic factors:
 - 1) **Expectancy**: Whether the effort will produce the desired results.
 - 2) **Instrumentality**: Whether the performance will lead to promotions
 - 3) **Valence**: Whether the possible outcome is attractive for the concerned individual.

c) **Stacey Adam's Equity Theory of Motivation:**

- It is based on the assumption that individuals are motivated by their desire to be equitably treated in their work relationship. When expectations between employees and employers are suitably

fulfilled it leads to mutual satisfaction and high morale and motivation.

d) Edwin Locke's Goal Setting Theory of Motivation:

➤ This theory states that goal setting is essentially linked to task performance. It states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance. In simple words, goals indicate and give direction to an employee about what needs to be done and how much efforts are required to be put in.

➤ The important features of goal-setting theory are as follows:

1) **The willingness to work towards attainment of goal is main source of job motivation.**

2) **Clear, particular and difficult goals are greater motivating factors than easy, general and vague goals.**

3) **Specific and clear goals lead to greater output and better performance.**

4) **Unambiguous, measurable and clear goals accompanied by a deadline for completion avoids misunderstanding.**

5) **Goals should be realistic and challenging.** This gives an individual a feeling of pride and triumph when he attains them, and sets him up for attainment of next goal. The more challenging the goal, the greater is the reward generally and the more is the passion for achieving it.

6) Better and appropriate feedback of results directs the employee behavior and contributes to higher performance than absence of feedback. Feedback is a means of gaining reputation, making clarifications and regulating goal difficulties. It helps employees to work with more involvement and leads to greater job satisfaction.

7) Employees' participation in goal is not always desirable. Participation of setting goal, however, makes goal more acceptable and leads to more involvement.

8) Goal setting theory has certain eventualities such as: a. Self-efficiency- Self-efficiency is the individual's self-confidence and faith that he has potential of performing the task. Higher the level of self-efficiency, greater will be the efforts put in by the individual when they face challenging tasks. While, lower the level of self-efficiency, less will be the efforts put in by the individual or he might even quit while meeting challenges.

a. Goal commitment- Goal setting theory assumes that the individual is committed to the goal and will not leave the goal. The goal commitment is dependent on the following factors:

- i. Goals are made open, known and broadcast.
- ii. Goals should be set-self by individual rather than designated.
- iii. Individual's set goals should be consistent with the organizational goals and vision.

3) Contemporary theories of motivation:

a) John Kelly's Attribution Theory of Motivation:

It is based on the style of attributes (qualities) that individuals have in regards to their success or failures. Kelly observed that people have 2 styles of attributes to the same:

- 1) Where internal attributes are *seen responsible for the individual's success or failures.*
- 2) Where other external factors are seen to be responsible for the individual's success or failures.

- Kelley suggested that in order to motivate an employee first their style/scheme of attributes should be identified and reinforced (made stronger) to get the desired behavior from the person.
- People with internal attributes as mentioned above operate better than the ones who are easily influenced by external factors as

training and proper opportunities help them get motivated and they are self motivated people. And the people who are influenced by external attributes can be motivated by improving external factors like supervision techniques, tools or other identified environmental factors as per the individual concerned.

b) Skinner's Operant Theory Or Organizational Behavior

Modification Theory Of Motivation:

- He believes that causes of an individual behavior in an organization are outside the person and in the environment. Behavior modification is achieved by operant (Involving the modification of behavior by the reinforcing or inhibiting effect of its own consequences (instrumental conditioning) conditioning. If an individual finds that the consequences of his behavior are favorable to him then that behavior will reinforce and become stronger as time passes and if not favorable then it will gradually weaken and disappear. This is **operant conditioning**.
- The strength of this approach/theory is that it is so closely similar to requirements of a good management and it emphasizes removal of hindrances and obstructions to performance, careful planning and organizing, control through feedback and expansion of communication.

Theories of leadership – traditional and modern:

- Leadership means the ability to lead or to influence the behavior of other individuals/groups towards a common desired action or objective and should possess more knowledge than his followers.
- It is a very unexplainable concept till date as everyday new features are added to its concept.

Let's explore the theories associated with Leadership in order to understand it better.

Traditional theories of leadership:

1) Great men Theory: It states that leaders are born not made and they can be easily identified with their extraordinary powers and nature and environment bow down to them according them the relevant recognition as befitting a leader. The limitations of this theory are that it lacks practicality and explains only mythological characters.

2) Trait Theory: It states the traits of leaders and how to identify them. Those traits are fairness, intelligence, general knowledge, understanding, emotional balance, communicative ability and technical competence. Its limitations are that mere possession of traits does not guarantee successful use of it for leadership purposes and it does not identify universal traits based on some studies.

3) Behavioral Theory: It stresses that strong leadership is the result of effective role and behavior of a leader. The behavioral theories of leadership are – Ohio State Studies, Michigan studies and Managerial Grid.

a) Ohio State Studies: – Carried out by **Lippit and White** under Kurt Levin who set out to analyze the most successful manager style of the following types –

Autocratic leaders (total obedience demanding) leader, Democratic leader who involves his employees.

Laissez faire leader(who lets employees do as it suits them).

→ Out of these they found that the Democratic leaders were the most successful and the least successful were the Laissez faire leaders. They identified two variables linked to leadership style in organizations –

i) Initiating structure – Leader's behavior in clearly outlining the relationship between himself and members of the work group and in endeavoring to establish well defined patterns of organization, channels of communication, and methods of procedure.

ii) Consideration – Ability of a leader to establish rapport , mutual respect, and two way communication with employees.

They found that both the above variables were separate and a leader can have a mix of both

Criticism of the Ohio State Studies:

- 1) Researches ignored the impact of environmental variables on specific leadership behaviors.
- 2) Most people/managers will find it difficult to change their style for each situation they encounter.

b) Michigan Leadership studies: Researchers identified 2 concepts of leadership:

- 1) Employee orientation where a leader takes interest in everyone and each employee is valuable to him and
- 2) Production oriented who are task masters and view employees as tools to achieve organizational objectives.

→ The study favored employee central leaders as it co related with higher group productivity and satisfaction.

Criticism it drew was that it also did not take into account environmental variables.

c) Managerial Grid: Blake and Mouton developed this conceptual framework for studying leadership and identified and used 2 variables – **concern for people and concern for production.**

It describes five managerial styles:

1) **Country club management-** Thoughtful attention to people to lead to a satisfying and relaxed atmosphere.

2) **Task management:** Keeping human elements interference to a minimum by standardizing conditions of work.

3) **Middle of the road or dampened pendulum-** balancing work extractment with satisfactory moral of employees in place.

4) **Team management:** Work is accomplished through committed people and there is an Independence that is based on relationships of trust and respect.

5) **Impoverished management-** Exertion of minimum effort to get required work done is appropriate to sustain organizational membership. According to them leadership is most effective when people and task management are both balanced.

The criticism they attracted was that they have little substantive evidence to prove their claims in all situations and the extreme positions explained

by them are rarely found in organizations like impoverished management on one end and country club management on the other end.

Contingency (Emergency Situation) Theories Of Leadership:

These theories depend on the diagnosis of a situation, the group and the leader. These are also called Situational theories. The three major contingency theories are:

- 1) Fiedler's Contingency Theory
- 2) House Path's Goal Theory
- 3) Hershey and Blanchard's Situational Theory

1) Fiedler's contingency model: It postulates that the leader's effectiveness is based on 'situational contingency' which is a result of interaction of two factors: leadership style and situational favorableness (later called situational control).

Least preferred co-worker (LPC):

The leadership style of the leader, thus, fixed and measured by what he calls the least preferred co-worker (LPC) scale, an instrument for measuring an individual's leadership orientation. The LPC scale asks a leader to think of all the people with whom they have ever worked and then describe the person with whom they have worked least well.

Situational favorableness:

- ❖ According to Fiedler, there is no ideal leader. Both low-LPC (task-oriented) and high-LPC (relationship-oriented) leaders can be effective if their leadership orientation fits the situation. The contingency theory allows for predicting the characteristics of the appropriate situations for effectiveness. Three situational components determine the favorableness of situational control:
 - 1. Leader-Member Relations**, referring to the degree of mutual trust, respect and confidence between the leader and the subordinates.
 - 2. Task Structure**, referring to the extent to which group tasks are clear and structured.
 - 3. Leader Position Power**, referring to the power inherent in the leader's position itself.
- ❖ When there is a good leader-member relation, a highly structured task, and high leader position power, the situation is considered a **“favorable situation.”**
- ❖ Fiedler found that low-LPC leaders are more effective in extremely favorable or unfavorable situations, whereas high-LPC leaders perform best in situations with intermediate favorability.

Leader-situation match and mismatch:

- Since personality is relatively stable, the contingency model suggests that improving effectiveness requires changing the situation to fit the leader. This is called “job engineering.” The organization or the leader may increase or decrease task structure and position power, also training and group development may improve leader-member relations.

In his 1976 book **Improving Leadership Effectiveness: The Leader Match Concept** Fiedler (with Martin Chemers and Linda Mahar) offers a self paced leadership training programme designed to help leaders alter the favorableness of the situation, or situational control.

Criticism:

- 1) Researchers often find that Fiedler’s contingency theory falls short on *flexibility*.
- 2) They also noticed that LPC scores can fail to reflect the personality traits they are supposed to reflect.
- 3) Fiedler’s contingency theory has drawn criticism because it implies that the *only alternative for an unalterable mismatch of leader orientation and an unfavorable situation is changing the leader*.
- 4) The model’s validity has also been disputed, despite many supportive tests (Bass 1990).

5) Other criticisms concern the methodology of measuring leadership style through the LPC inventory and the nature of the supporting evidence. Fiedler and his associates have provided decades of research to support and refine the contingency theory.

6) **Cognitive Resource Theory (CRT)** modifies Fiedler's basic contingency model by adding traits of the leader. CRT tries to identify the conditions under which leaders and group members will use their intellectual resources, skills and knowledge effectively.

★ While it has been generally assumed that more intelligent and more experienced leaders will perform better than those with less intelligence and experience, this assumption is not supported by Fiedler's research.

7) The contingency model does not take into account the percentage of "intermediate favourability" situations vs. "extremely favourable or unfavourable situations", hence, does not give a complete picture of the comparison between low-LPC leaders and high-LPC leaders.

Relevance:

➤ To Fiedler, stress is a key determinant of leader effectiveness, and a distinction is made between stress related to the leader's superior,

and stress related to subordinates or the situation itself. In stressful situations, leaders dwell on the stressful relations with others and cannot focus their intellectual abilities on the job. Thus, intelligence is more effective and used more often in stress-free situations. Fiedler has found that experience impairs performance in low-stress conditions but contributes to performance under high-stress conditions.

- As with other situational factors, for stressful situations Fiedler recommends altering or engineering the leadership situation to capitalize on the leader's strengths. Despite all the criticism, Fiedler's contingency theory is an important theory because it established a brand new perspective for the study of leadership. Many approaches after Fiedler's theory have adopted the contingency perspective.
- Fred Fiedler's situational contingency theory holds that group effectiveness depends on an appropriate match between a leader's style (essentially a trait measure) and the demands of the situation.
- Fiedler considers situational control the extent to which a leader can determine what their group is going to do to be the primary contingency factor in determining the effectiveness of leader behavior.

2) House Path's Goal Theory:

The theory was developed by **Robert House** and has its roots in the expectancy theory of motivation. The theory is based on the premise that an employee's perception of expectancies between his effort and performance is greatly affected by a leader's behavior. The leaders help group members in attaining rewards by clarifying the paths to goals and removing obstacles to performance. They do so by providing the information, support, and other resources which are required by employees to complete the task.

- ★ House's theory advocates servant leadership. As per servant leadership theory, leadership is not viewed as a position of power. Rather, leaders act as coaches and facilitators to their subordinates.
- ★ According to House's path-goal theory, a leader's effectiveness *depends on several employee and environmental contingent factors and certain leadership styles.*

Leadership Styles:

The four leadership styles are:

1) **Directive:** Here the leader provides guidelines, lets subordinates know what is expected of them, sets performance standards for them, and controls behavior when performance standards are not met. He makes judicious use of rewards and disciplinary action. The style is the same as task-oriented one.

2) **Supportive:** The leader is friendly towards subordinates and displays personal concern for their needs, welfare, and well-being. This style is the same as people-oriented leadership.

3) **Participative:** The leader believes in group decision-making and shares information with subordinates. He consults his subordinates on important decisions related to work, task goals, and paths to resolve goals.

4) **Achievement-oriented:** The leader sets challenging goals and encourages employees to reach their peak performance. The leader believes that employees are responsible enough to accomplish challenging goals. This is the same as **goal-setting theory**.

★ According to the theory, these leadership styles are not mutually exclusive and leaders are capable of selecting more than one kind of a style suited for a particular situation.

➤ The theory states that *each of these styles will be effective in some situations but not in others*. It further states that the relationship between a leader's style and effectiveness is dependent on the following variables:

1) **Employee characteristics:** These include factors such as employees' needs, locus of control, experience, perceived ability, satisfaction, willingness to leave the organization, and anxiety.

For example, if followers are of high inability, a directive style of leadership may be unnecessary; instead a supportive approach may be preferable.

2) Characteristics of work environment: These include factors such as task structure and team dynamics that are outside the control of the employee.

- For example, for employees performing simple and routine tasks, a supportive style is much effective than a directive one. Similarly, the participative style works much better for non-routine tasks than routine ones.
- When team cohesiveness is low, a supportive leadership style must be used whereas in a situation where performance-oriented team norms exist, a directive style or possibly an achievement-oriented style works better. Leaders should apply directive style to counteract team norms that oppose the team's formal objectives.

Relevance:

- The theory has been subjected to empirical testing in several studies and has received considerable research support. This theory consistently reminds the leaders that their *main role as a leader is to assist the subordinates in defining their goals and then to*

assist them in accomplishing those goals in the most efficient and effective manner. This theory gives a guide map to the leaders about how to increase subordinates satisfaction and performance level.

3) **Hershey And Blanchard's Situational Theory:**

- ★ The fundamental underpinning of the situational leadership theory is that **there is no single “best” style of leadership.** Effective leadership is task-relevant, and the most successful leaders are those that adapt their leadership style to the maturity (“*the capacity to set high but attainable goals, willingness and ability to take responsibility for the task, and relevant education and/or experience of an individual or a group for the task*”) of the individual or group they are attempting to lead or influence.
- ★ Effective leadership varies, not only with the person or group that is being influenced, but it also depends on the task, job or function that needs to be accomplished.

Leadership styles:

Hersey and Blanchard characterized leadership style in terms of the amount of Task Behavior and Relationship Behavior that the leader provides to their followers. They categorized all leadership styles into four behavior types, which they named S1 to S4:

S1: Telling – is characterized by one-way communication in which the leader defines the roles of the individual or group and provides **the what, how, why, when and where to do the task;**

S2: Selling – while the leader is still providing the direction, he or she is now using two-way communication and providing the socio-emotional support that will allow the individual or group being influenced to buy into the process.

S3: Participating – this is how shared decision-making about aspects of how the task is accomplished and the leader is providing less task behaviors while maintaining high relationship behavior.

S4: Delegating – the leader is still involved in decisions; however, the process and responsibility has been passed to the individual or group. The leader stays involved to monitor progress.

- Of these, no one style is considered optimal for all leaders to use all the time. Effective leaders need to be flexible, and must adapt themselves according to the situation.
- The right leadership style will depend on the person or group being led. **The Hersey-Blanchard Situational Leadership Theory**

identified four levels of Maturity M1 through M4:

M1 – They are unable to take on responsibility for the task being done; however, they are willing to work at the task. They are novice but enthusiastic.

M2 – They still lack the specific skills required for the job in hand and are unable and unwilling to do or to take responsibility for this job or task. (According to Ken Blanchard “The honeymoon is over”)

M3 – They are experienced and able to do the task but lack the confidence or the willingness to take on responsibility.

M4 – They are experienced at the task, and comfortable with their own ability to do it well. They are able and willing to not only do the task, but to take responsibility for the task.

➤ **Maturity Levels are also task-specific.** A person might be generally skilled, confident and motivated in their job, but would still have a maturity level M1 when asked to perform a task requiring skills they don't possess.

- A good leader develops “**the competence and commitment of their people so they’re self-motivated rather than dependent on others for direction and guidance.**”
- According to Hersey’s “**the situational book,**” the leader’s high, realistic expectation causes high performance of followers; the leader’s low expectations lead to low performance of followers.
According to Ken Blanchard, “Four combinations of competence and commitment make up what we call ‘development level.’”
 - D1 – Low competence and high commitment
 - D2 – Low competence and low commitment
 - D3 – High competence and low/variable commitment
 - D4 – High competence and high commitment

In order to make an effective cycle, a leader needs to motivate followers properly.

4) The Vroom – Yetton Contingency Model:

The aim of this model is to enhance both the quality of decisions of the leader and its acceptability to the subordinates. According to this model, a leader should be both autocratic and participatory varying his style according to various situations and the factors affecting it.

5) Taber, Green and others -leader member exchange theory:

Communication between a leader and subordinate plays a major part in

effective leadership. It has been observed that a leader many a times would be more communicative with certain members and rare with others in the group as a result an inner group gets formed who are closer to the leader and this group will show more commitment to the goals of the leaders as compared to the other group and extract most of the benefits and rewards. Therefore, this approach recommends that a leader maintain sufficient communication and exchanges with all levels to avoid such unfeasible situations.

6) Situational Continuum Theory : Tannenbaum and Schmidt suggest here that there are certain 'forces' that determine effective leadership and those are:

1) The Leader : His value systems, personality, attitude to delegations and confidence in subordinates and reactions in crisis situations as well as his natural inclination towards an autocratic or democratic style of functioning.

2) The Follower: Their ability to learn skills needed for the organization, willingness to take on responsibility, personal aspirations and expectations from organization and capacity to share in decision making implementation.

3) The Situation: Organizational structure whether centralized or

decentralized, organizational culture, character of work groups whether co-operative or hostile, working conditions and environment, etc.

★ The researchers preferred a subordinated leadership style in general but also suggested a mix and match of the above as per the situation and the task of the leader is to integrate all of these and chalk out a plan of action accordingly to achieve organizational goals.

Modern/contemporary theories of leadership:

1) **Charismatic leadership approach:** Theorists of this approach/method support such a happening of leadership where influence operating on subordinates is seen as a function of some qualities which subordinates have made in their leader or a subordinate has assumed in his mind as a charismatic trait and has found that in his leader and so follows him.

- The leader has somehow managed to promise the employee of a bright future in the organization and secured job satisfaction through his integrity.
- The charismatic leadership theory has the following aspects:

1) **Transformational Leadership approach** – Such leaders help and guide their subordinate to work for the realization of their full potential and not just limited to the completion of tasks assigned.

2) **Moral Leadership approach:** Such leaders exercise their influence through their behavior or ideals or values where subordinates see him as an idealist and try to follow him/her.

3) **Cross Cultural Leadership Approach:** Leaders who have the capacity to influence people from different cultures and backgrounds equally and who by the leader's behavior of non-partiality, high intelligence, sincerity, honesty, truthfulness get influenced and follow him/her.

4) **Team Leadership Approach:** An arrangement where the leader by his own performance sets examples and encourages the subordinates to achieve their potential and function in a similar manner that eventually reinforces everybody's work mutually.