

KEY CONCEPTS:

- **Autocratic / authoritarian leader:** A leader who makes all the decisions and then informs others.
- **Autonomy / independence:** Employee autonomy is having the freedom and authority to make decisions.
- **Democratic leader:** One who accepts the decision of the majority. In business organizations it is rare that decisions are left to a majority of the workforce. In practice, leaders might consult and allow limited scope for majority decisions, but retain ultimate control over key decisions.
- **Equity / fairness:** Equity theory of motivation concerns subjective assessments of fairness of rewards in relation to input of effort.
- **Expectancy theory:** A theory of motivation that focuses on the employee's expectations of the outcome of effort.
- **laissez faire leader:** One, who sets targets but leaves subordinates to determine how they are to be achieved.
- **Hierarchy of needs:** A list of needs drawn up by Abraham Maslow that are satisfied in order of priority. Once a need is satisfied, it is no longer motivates.
- **Job enrichment:** Motivation by means of making work more challenging and interceding so as to make full use of each individual's abilities.
- **Leadership:** The ability to influence the thoughts and behaviour of others.
- **Leadership traits:** The (assumed) characteristics necessary in a leader. This approach to the study of leadership failed because of the numerous exceptions to any rule that can be identified.
- **Motivation:** Incentives to exert efforts. All forces and influences that can employees to want to behave in a certain way.
- **Theory X & theory Y:** Douglas McGregor's contrasting sets of assumptions about the attitudes of employees and the way in which they are treated as a result
- **Two factor theory:** Frederick Herzberg's division of motivating factors into hygiene factors (those that are necessary but not sufficient condition) and motivators (which act positively to motivate).

Ans. Equity theory teaches us the importance of fairness in human motivation. Perception of unfairness can result in demotivated workforce, hence leading to a decline in the quality of overall production. Expectancy theory also relates to the subjective probability of achieving the rewards, meaning it is an estimation by the management to select from within a group of workers to evaluate whether they will attain the level of work performance required to achieve the expected rewards.

Q. Discuss how these theories can be applied to the work situation.

Ans. Pay and promotion should not only be fair, but it is the management's duty to let it be seen as fair. Incentive pay systems should be set in such a way that the rewards are considered worthwhile, at this point the management should keep in mind that these rewards can be achieved by an average employee based on their performance outcome, at the same time it is the management's duty to make the job challenging enough in order for the employees to gain the levels of job requirement for job enrichment and job enlargement.

Q. What are the principles of job enrichment?

Ans. In the views of theory writers such as Richard Hackman and Professor Oldham, the emphasis basically was to build on Professor Herzberg's views of job enrichment in terms of:

- Skill Variety
- Task identity
- Task significance
- Autonomy / Power
- Feedback

Outline McGregor's theory X & theory Y.

Theory X is McGregor's term for the common management attitude that most workers have for an inclination to dislike work. In his own words, McGregor described that behind every managerial decision or action are assumptions about human nature and human behaviour and a few of them are remarkably persuasive.

The average human being has an inherent tendency to dislike work and will avoid it if he or she can. Because of this human characteristic, most people have to be forced to extract work out of them or to push them so that they can put forth adequate efforts and to give rewards for the achievement of organizational objectives. The average human being prefers to be directed, and wishes to avoid responsibility. This shows that people can show very little ambition but at the same time they want security to be at the top priority list.

Theory Y is a managerial approach based on the belief that human beings can be stimulated to have high creative energy towards work, providing it has the potential to engage their interests. A common mistake is to believe that McGregor's theory is about different worker types, but in reality it is not. McGregor's concern was to examine managerial attitude and their efforts. The main assumptions identified by McGregor as theory Y were:

- The expenditure of physical and mental effort in a work environment is as natural as play or rest.
- The average human being tends to learn under proper conditions and they can not only accept but also seek responsibility at the same time.
- The capacity to exercise a relatively high degree of imagination and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.

all of the management approach known as the Japanese way.

Theory Z: Professor William Ouchi's term for the Japanese approach & management which he distinguished from McGregor's theory Y in the following way:

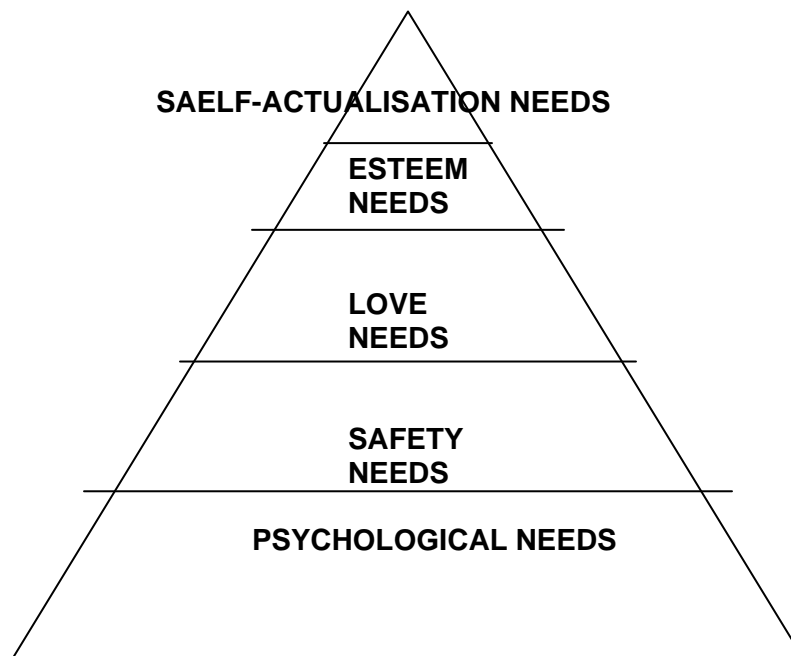
- The Japanese focus on lifetime employment.
- The internal attempt to make the employers conform to company practice & attitudes.
- Strong emphasis on human relations.

So Theory Z is the name applied to the so-called "Japanese Management" style popularized during the Asian economic boom of the 1980s. According to Dr. William Ouchi, its leading proponent, Theory Z management tends to promote stable employment, high productivity, and high employee morale and satisfaction.

Abraham Maslow's theory says that all human beings have the same type of needs, which can be classified into a single hierarchy. They span from the lower order as physical needs through social needs towards the higher order of psychological needs. Maslow believed that each need has to be fulfilled totally before the next becomes important. By the time all the needs have been catered for, the individual will be motivated by self-actualisation, in other words, psychological growth and development. Yet if the threat of redundancy occurs, the individuals focus will return to the basic needs, such as security.

Maslow's theory has five categories of needs:

- Physical, these are the requirements to eat and sleep, fulfilling foods, shelter, clothing elements, hence a need to earn income.
- Safety needs, here a sense of security has to be built in terms of job security which can help ensure the physical needs.
- Social needs, once attaining a professional level, an individual will have the desire for friendship with peers at the same level. Another important element would be love needs by the family which would give a sense of belonging.
- Esteem needs, in this case one has to have respect for others and more importantly self-respect. Self appraisal occurs here at this level.
- Self-actualisation, this helps to fulfill one's potential through actions and achievements. And we must make a note here that Maslow did not believe that this could be fully satisfied, in other words, people will always strive to develop further and achieve more.

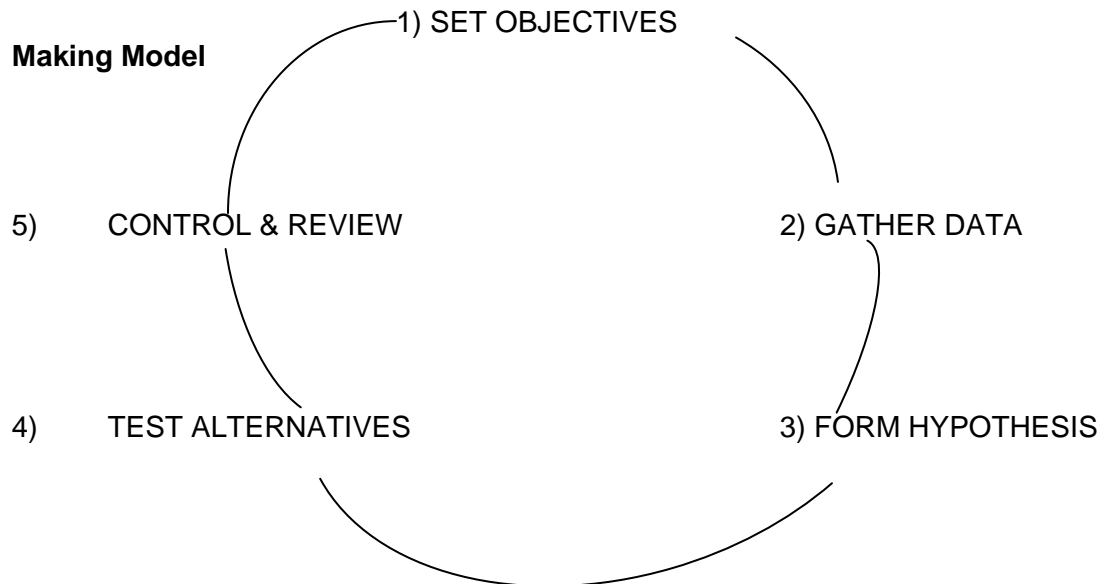


Scientific Management:

Scientific management is an attempt to make business decisions on the basis of data researched and tested quantitatively mathematically. The principles were laid down by F.W. Taylor in his book “the Principles of Scientific Management”, where he considered it to be the management’s duty to identify ways in which costs could be accounted for precisely, so that the efficiency could be proved. Although, F.W. Taylor is remembered mainly for his advocacy of financial incentives and high division of labour, his most influential legacy has been his advocacy and part invention of accounting, work study and method study.

Scientific Decision:

Making Model



a) WORK STUDY:

Work study is the systematic measurement of working processes and timings with the intention of identifying the best available method and realistic output targets. Also known as “time and Motion (measure of efficiency)” study, it was the key management tool devised by F.W. Taylor.

b) TIME & MOTION STUDY:

It is the investigation of the efficiency with which a task is carried out and the popular term for this study is “Method Study”.

c) METHOD STUDY:

It is the analysis of the method by which workers approach a task with the intention of identifying opportunities for improvement. This was F.W. Taylor’s scientific companion to work study. First the consultant would decide how to sub-divide the whole production process into small units of work, the method study would then decide how each task should be carried out. Method study was carried out by timing each action and recording the motion and effort used. The presence of the so-called time and motion men was quickly to become a cause of industrial relations disputes

a) Outline the principles of Scientific management.

Ans. The principles of scientific management include the following:

- Work study to devise optimum methods.
- Work measurement.
- Payment linked to output (price rate/heavily rate)
- Division of labour.
- Pay as the motivator. (Theory X)
- Management control over the workplace.

b) Does Scientific management have any relevance to the modern world? Justify your answer.

Ans. Scientific management is still found in the work-place and there is still a role for work study and method study or work measurement. Incentive payments are still found in industries, but employee motivations is more complicated than Frederick Taylor had envisaged. There should be emphasis on leadership and teamwork.

c) Evaluate the contribution of Etton Mayo to our outstanding of people at work.

Ans. Etton Mayo taught us that man is a social as well as economic animal. Mayo was the founder of the Human relations school. He showed that the employees motivation is affected by social factors, including the role of social group. Social scientists still refer to the Hawthorne effect. Finally, he played a major role in the development of research methods.

THE IMPACT OF HAWTHORNE EFFECT:

It has a beneficial impact on staff work rate and morale of an active personal interest being shown by the management. The term derives from Etton Mayo's researches into workplace behaviour at a factory in Hawthorne USA between 1927 and 1932.

Mayo was a follower of F.W. Taylor's methods and was attempting to measure the impact on productivity of improving the lighting conditions within the factory. He followed Taylor's scientific principles by testing the changes against a control a section of the factory with unchanged lighting heating/rest periods. Although productivity improve or rose where the lighting was improved, Mayo was surprised to find a similar benefit where not physical changes had taken place.

This led him to believe and conduct a series of further experiments which cast serious doubts on Taylor's assumptions about the absolute importance of money in motivation the phrase "Hawthorne effect" remains in use worldwide as an example of the importance of human relations in business.

Q. Compare and contrast the theories associated with Maslow Herzberg's.

Ans. Herzberg's maintenance factors correspond to lower order needs of Maslow's theory. The motivators correspond to the higher order needs.

Both stressed on the importance of satisfying the found shelter customers lower order needs before the higher order needs. Maslow envisaged motivation as steps rising upwards, whereas Herzberg's theory contrasted the negative impact resulting from the absence of hygiene factors and the positive impact of motivators.

Ans. Herzberg did not dismiss the importance of any in motivation because unsatisfactory pay levels will result in demotivated workforce, however, the real motivators are internal to the job. As a result of Herzberg's work, there has been an emphasis on job re-design and job enrichment.

- **INTRINSIC MOTIVATION:**

This means a drive to succeed that is from within a person. It occurs when individuals are doing a task and they find it satisfying challenging a significant in the achievement of a meaningful goal. These are the drives that Professor Herzberg called "The Motivators" and can be contrasted with the extrinsic motivation such as pay and fringe benefits.

- **EXTRINSIC MOTIVATION:**

It is the drive to succeed that comes from outside the job itself. It might be stimulated by the promise of financial reward or promotion. Professor Herzberg characterizes such a process as movement rather than motivation which he believes to be less desirable.

- **JOB ENRICHMENT:**

It is the attempt to motivate by giving employees the opportunity to use their abilities. The definition is closely based on professor Herzberg's work, as job enrichment was the main policy recommendation stemmed from his theories. Herzberg suggested that an enriched job should ideally contain a range of tasks and challenges at different ability levels, some of which should be beyond the employees experience. Furthermore, there is emphasis on a complete unit of work, in other words a meaningful task rather than a repetitive fragment. There should also be a direct feedback, through which employees could know immediately how well he or she is performing.