



## LEADERSHIP

Leadership is a process of influencing, encouraging, motivating and helping an individual or a group towards organizational goals. Effective leadership is necessary for inspiring the people to work for the accomplishment of objectives. It provides a cohesive force which holds the group intact and develops a spirit of cooperation. **Chester Bernard** viewed leadership as the quality of behavior of individuals whereby they guide people and their activities. A leader interprets the objectives of the people working under him and guides them towards achievement of those objectives. He also creates and sustains enthusiasm among them for superior performance. Leadership is a group phenomenon which means an interaction between two or more people.

In the words of **Louis A. Allen**, –A leader is one who guides and directs other people. He gives the efforts of his followers a direction and purpose by influencing their behavior.

**John C. Maxwell** defines — a leader is one who knows the way, goes the way, and shows the way.

Leadership is the process of influencing the subordinates so that they cooperate enthusiastically in the achievement of group goals. In other words, leadership is the process by which an executive imaginatively directs, guides, and influences the work of others in choosing and attaining specified goals by mediating between the individuals and the organization in such a manner that both will obtain maximum satisfaction.

### Characteristics of Leadership

An analysis of the above definitions reveals that leadership as a managerial process has the following characteristics:

1. **Leadership is a process of influence:** Leadership is a process whose important ingredient is the influence exercised by the leader on the group members. A person is said to have an influence over



others when they are willing to carry out his wishes and accept his advice, guidance and direction. Successful leaders are able to influence the behavior, attitudes and beliefs of their followers.

**2. Leadership is related to a situation:** When we talk to leadership, it is always related to a particular situation at a given point of time and under a specific set of circumstances. That means leadership styles will be different under different circumstances.

**3. Leadership is the function of stimulation:** Leadership is the function of motivating people to strive willingly to attain organizational objectives.

#### LEADERSHIP STYLES

Leaders can be differentiated into good or bad based on the styles they adopt or how they choose to influence their followers. A leader is not only to plan, organize, lead and control but also consider human element in the followers. A good leader has to adopt such a style of working that takes care of people around him. There are also some leaders who do not care for people and who care more for the task completion. Based on use of authority the leadership styles can be classified as follows:



**1. Autocratic or Authoritarian Leadership Style:** Under the autocratic leadership style, all decision-making powers are centralized in the leader, as with dictator leaders. They do not entertain any suggestions or initiatives from subordinates and almost top-down approach is seen.

- Leaders are more dogmatic and positive.
- They don't allow any participation.
- They are authoritarian in their approach.
- They are concerned with the task and tell followers what to do and how to do it.
- High degree of dependency on the leader.
- There is one way communication.
- May be valuable in some types of business where decisions need to be made quickly and decisively.

<b>Advantages</b>	<b>Disadvantages</b>
1. It provides strong motivation and reward to manager.	1. People in the organization dislike it especially when it is strict and the motivational style is negative.
2. It permits very quick decisions.	2. Employees lack motivation frustration, low morale and conflict develops in the organization.
3. Less competent subordinates also have scope to work in the organization.	3. There is more dependence and less individuality in the organization.



**2. Democratic or Participative Leadership Style:** It is also called as democratic, consultative or idiographic leadership style. In this style the manager decentralizes his decision-making process. Instead of taking unilateral decision he emphasizes consultation and participation of his subordinates. He can win the cooperation of his group and can motivate them effectively and positively.

- Leaders consult subordinates and involve them in decision making.
- They encourage discussion with group.
- They believe in two-way communication.
- They listen to followers
- Followers are involved in the process of planning and execution of the work.

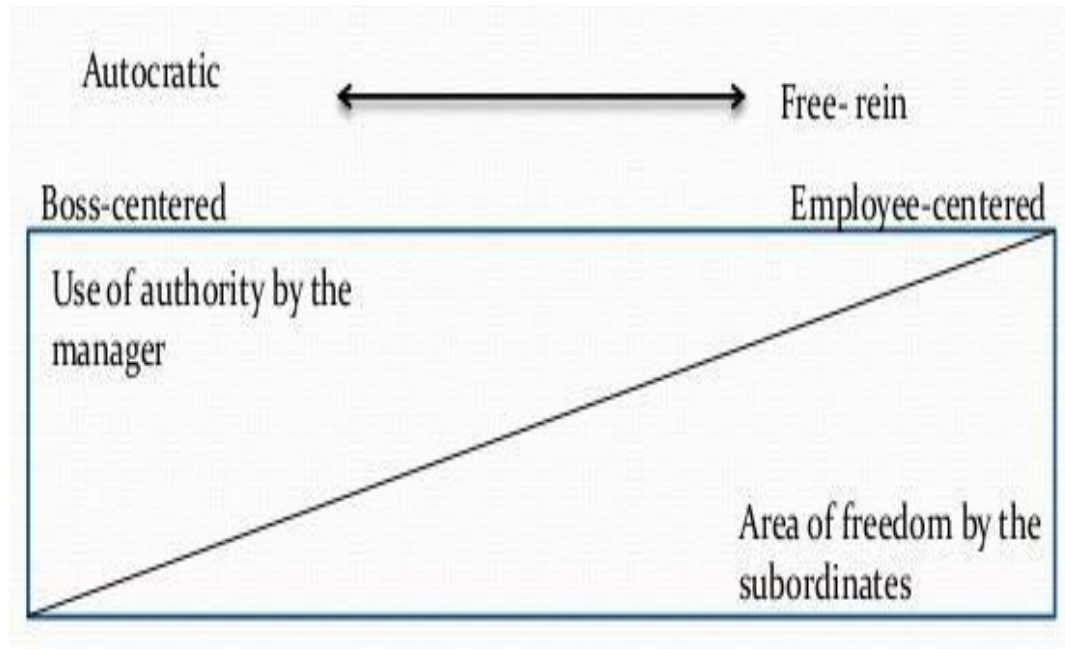
Advantages	Disadvantages
1. Employees are highly motivated.	1. Complex nature of organization requires as through understanding of its problems which lower-level employees may not be able to do.
2. The productivity of employees is very high.	2. Some people in the organization want minimum interaction with their
3. Subordinates share the responsibility with the superior and try to	3. Some leaders may use this style as a way of avoiding responsibility.



**3. Free-rein Leadership:** A free-rein leader does not lead, but leaves the group entirely to itself as shown in the following figure. In this style, manager once determines policy, programmes, and limitations for action and the entire process is left to subordinates group members perform everything and the manager usually maintains contacts with outside persons to bring the information and materials which the group needs.

The following figure shows the spectrum of a wide variety of leadership styles moving from a very authoritarian style at one end to a very democratic style at the other end, as suggested by Tannenbaum and Warren H. Schmidt.

- Also called Laissez-Fair leadership style.
- These leaders exercise little authority and give maximum freedom to subordinates while making decisions.
- It is bottom-up approach.
- They give high freedom of independence to the subordinates in their operations.
- Suggestions from the followers are encouraged and rewarded.
- Here, the role of the leader is to aid the operations of the followers.



#### THEORIES OF LEADERSHIP

##### **Trait Leadership**

According to this theory, people are either born or are made with certain qualities that make them excel in leadership roles. Traits such as vision, confidence, resilience, agility, hard work, physical and mental endurance, empathy, creativity, intelligence, accountability, sense of responsibility, values, flexibility and adjustment, extraversion, conscientiousness, openness to experience, self-efficacy (confidence to excel) etc, determine who is a leader. Since personality trait measurement was not reliable across studies, there was always search for better and measureable approach to leadership. This gave rise to behavioral theory of leadership.



### Behavioural Leadership

The study of the actions, or behaviors, that define a leader is known as behavioral leadership. First developed by Robert Blake and Jane Mouton in 1964, this theoretical approach to understanding leaders creates categories of styles, which are aligned with the actions the leader may take, or the methods they use to reach their goals.

In this approach, the emphasis is on the actual behaviour and action of the leaders and not on their traits or characteristics. In other words, this approach emphasises that strong leadership is the result of effective role behaviour.

This approach states that the leader uses three skills to lead his followers. These skills are: technical (refers to a person's knowledge of the process of technique), human (refers to ability to

interact with people and conceptual (refers to manager's ideas which enable a manager to set up models and design plans).

This approach assumes that a particular behaviour of a manager will make him a good leader while its opposite would discard him as a leader. Determining goals, motivating employees for achieving the goals, effective communication ability to interact effectively, building team spirit, etc. are the functional behaviour of a successful leader.



This theory emphasises the point that the favourable behaviour of a leader provides greater satisfaction to the followers and they recognise him as their leader. However, one limitation of this approach is that a particular behaviour and action of a leader may be relevant and effective at a particular point of time while at another, it may be irrelevant and ineffective. Thus, in this approach, the 'time' factor which is a vital element has not been considered.

Several attempts have been made to identify the dimensions of leader behavior. The most systematic and comprehensive studies in this direction were conducted in USA at Ohio State University and University of Michigan during 1945-47.

**Ohio State Studies:** In 1945 the Bureau of Business Research at Ohio State University initiated a series of studies on leadership. The main objective of the studies was to identify the major dimensions of leadership and to investigate the effect of leader's behavior on employee behavior and satisfaction.

**Michigan Studies:** These empirical studies were conducted slightly after WORLD WAR II by the Institute of Social Research at the University of Michigan. The purpose of these studies was to identify styles of leadership behavior that results in higher performance and satisfaction of a group.



### Situational Leadership

According to this theory, leadership is affected by a situation from which a leader emerges and in which he works. In other words, the situation — the group, the problem and its environment — will affect the type of leadership. An important aspect of this theory is the interaction between

the group and its leader and the people tend to follow the person who is capable of fulfilling their desires.

The leader recognizes his followers' desires and follows such methods (depending on the situation) which satisfy them. The main trust of the situational theory is that the leadership style may be effective under one situation and ineffective under the other. In other words, situational theory emphasizes that there is no one best style of leadership universally applicable to all situations and that the leader has to change his style of leadership from situation to situation

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Though this theory states leadership ability of an individual in a given situation and measures his leadership potentialities, it is silent on the point whether this individual will fit in another situation.

#### LEADERSHIP SKILLS

- 1. Communication:** As a leader, you need to be able to clearly and succinctly explain to your employees everything from organizational goals to specific tasks. Leaders must master all forms of communication, including one-on-one, departmental, and full-staff conversations, as well as communication via the phone, email, and social media.
- 2. Motivation:** Leaders need to inspire their workers to go the extra mile for their organization; just paying a fair salary to employees is typically not enough inspiration (although it is important too). There are a number of ways to motivate your workers: you may build employee self-esteem through recognition and rewards, or by giving employees new responsibilities to increase their investment in the company.
- 3. Delegating:** Leaders who try to take on too many tasks by themselves will struggle to get anything done. These leaders often fear that delegating tasks is a sign of weakness, when in fact it is a sign of a strong leader. Therefore, you need to identify the skills of each of your employees, and assign duties to each employee based on his or her skill set. By delegating tasks to staff members, he can focus on other important tasks.
- 4. Positivity:** A positive attitude can go a long way in an office. You should be able to laugh at yourself when something doesn't go quite as planned; this helps create a happy and healthy work environment, even during busy, stressful periods. Simple acts like asking employees about their vacation plans will develop a positive atmosphere in the office, and raise morale among staff members. If employees feel that they work in a positive environment, they will be more likely to want to be at work, and will therefore be more willing to put in the long hours when needed.



**5. Trustworthiness:** Employees need to be able to feel comfortable coming to their manager or leader with questions and concerns. It is important for you to demonstrate your integrity — employees will only trust leaders they respect. By being open and honest, you will encourage the same sort of honesty in your employees.

**6. Creativity:** As a leader, you have to make a number of decisions that do not have a clear answer; you therefore need to be able to think outside of the box.

Learning to try nontraditional solutions, or approaching problems in nontraditional ways, will help you to solve an otherwise unsolvable problem. Most employees will also be impressed and inspired by a leader who doesn't always choose the safe, conventional path.

**7. Feedback:** Leaders should constantly look for opportunities to deliver useful information to team members about their performance. However, there is a fine line between offering employees advice and assistance, and micromanaging. By teaching employees how to improve their work and make their own decisions, you will feel more confident delegating tasks to your staff.

**8. Responsibility:** A leader is responsible for both the successes and failures of his or her team. Therefore, you need to be willing to accept blame when something does not go correctly. If your employees see their leader pointing fingers and blaming others, they will lose respect for you. Accept mistakes and failures, and then devise clear solutions for improvement.

**9. Commitment:** It is important for leaders to follow through with what they agree to do. You should be willing to put in the extra hours to complete an assignment; employees will see this commitment and follow your example. Similarly, when you promise your staff a reward, such as

an office party, you should always follow through. A leader cannot expect employees to commit to their job and their tasks if he or she cannot do the same.



**10. Flexibility:** Mishaps and last-minute changes always occur at work. Leaders need to be flexible, accepting whatever changes come their way. Employees will appreciate your ability to accept changes in stride and creatively problem-solve.

#### LEADER AS A MENTOR AND COACH

**Mentoring** is most often defined as a professional relationship in which an experienced person (the mentor) assists another (the mentee) in developing specific skills and knowledge that will enhance the less-experienced person's professional and personal growth.

**Coaching** is a form of development in which a person called a coach supports a learner in achieving a specific personal or professional goal by providing training and guidance. The learner is sometimes called a coachee.

In today's fast-changing world a command and control leadership style will not sustain the adaptable, fast-developing and creative workforce needed for success. Instead, the leader who mentors and coaches, both on-the-job and formally, empowers, develops and supports others to succeed. Everyone deserves a great leader. And great leaders are great mentors and coaches. Without great leader (mentor & coaches), employee performance and therefore organizational performance fails. It's true on any scale, from individual employees, to high-performance teams, to business units or functions, even entire organizations. All rely on mentoring and coaching to optimize performance. Leaders have a vastly influential role to play in optimizing employees' performance. To a very large extent, leaders' mentoring and coaching skills can help employees' performance flourish or erode.

A leader's role as a mentor and a coach is as below:

1. Mentor helps protégé through tutoring, coaching, guidance, emotional support.
2. Coaching helps improve performance.
3. Many people can play role of mentor.



4. Mentor can be informal relationship or with mentor assigned by the company.
5. Shadowing (following around) can be good for mentoring.
6. A Mentor will openly share personal experiences that contributed to their growth and development.
7. Invest the time to listen to the plans of the Mentee.
8. Develop a plan to work together during a set period of time.
9. Mentor often assumes the role of Advocate for the Mentee as Mentoring can help improve career development.
10. Coaching helps employees make the most of their potential and performance capabilities by developing skills competence

#### LEADERSHIP DURING ADVERSITY AND CRISIS

An important role of the leader is to help the group deal with adversity and crisis. Adversity and crises may take such forms as a downturn in business, a sudden surge in workload that workers perceive as overwhelming, hurricanes, fire damage, a massive product recall, and workplace violence.

The accompanying management in action gives an example of leading during crisis created by a natural disaster. Almost all the principles and techniques of leadership would be helpful during difficult times, but here I am pinpointing ten behaviors and actions that are particularly relevant for a leader dealing with adversity and crisis.

1. **Make tough decisions quickly:** the best accepted principle of crisis leaderships that the leaders should take decisive actions to remedy the situation. Ran Sargent became CEO of office supplies retailer Staples one week before the September 11, 2001, terrorist attacks and in the midst of a recession.
2. **Serve as a model by being resilient:** Effective managerial leaders are resilient. They bounce back quickly from setbacks such as budget cuts, demotions, and terminations. Leadership resiliency serves as a positive model for employees at all levels when the organization confronts



difficult times. During such times, effective leaders sprinkle their speech with clichés such as -Tough times don't last, but tough people do or -when times get tough, the

tough get going. Delivered with sincerity, such messages are inspirational to many employees and may help stabilize morale.

3. **Present a plan for dealing with adversity or crisis:** a key part of managing a crisis well is to present a plan for dealing with the crisis while at the same time behaving in a calm and reassuring manner.
4. **Appear confident and trustworthy:** Group members must trust that the leader or leaders can deal with the crisis. Trust can be attained by communicating openly, honestly, and often about the crisis. In dealing with a crisis, it is helpful for the leader to project confident body language, such as appearing relaxed while delivering the crisis plan.
5. **Focus on the future:** Part of being visionary is focusing on the future when the present is filled with difficulty. The leader of a software company might tell the group that technology investment has dipped for the present but that companies will soon recognize that they cannot compete well in the long run if they don't upgrade their information technology soon. A bold move to focus on the future is to get into the scavenger mode.



6. **Communicate widely about the problem:** when tough times hit, it pays to increase communication about the problems facing the company or unit and discuss what might be done to improve the situation. Communicating with workers throughout the organization gives them an opportunity to provide leadership. In one company, a technician suggested focusing more on servicing existing equipment than on attempting to sell new equipment during the recession. Communicating with customers and their customers can bring forth useful information about how long the tough times will remain. The business can be reconfigured to meet the new reality, such as finding the least painful ways to cut costs.
7. **Change to meet changing circumstances:** A bold leadership move is to change the thrust of a company's activities to adapt to changing circumstances.
8. **Stick with constructive core values:** leaders who keep their company or division focused on core values are likely to endure difficult times. Neglecting core values to help overcome adversity can create permanent damage. For example, A well known underwear company decided to cope with lower sales volume by cutting costs on the manufacturing of men's  

The lower cost briefs looked fine but they tore apart at the waistband after several washings. Word spread quickly about the defective briefs, and company lost account with several major retail chains. The core value compromised here was offering only high quality goods to the public.
9. **Divide major problem into smaller chunks:** Give workers bits of the major problem to work on so they feel less overwhelmed by the adversity facing them and the company. For example, if the company is hurting for cash, one group of employees might search for items in the office or factory that could be sold on an auction website. Another group of workers might search for ways to reduce shipping costs by 10%. Other groups would be assigned different adversity-fighting tasks.
10. **Lead with compassion:** crises can take a heavy emotional toll on workers. Compassionate leadership encompasses two related sets of actions. The first is to create an environment in which



affected workers can freely discuss how they feel, such as group meeting to talk about the adversity, crisis, or disaster. The second is to create an environment in which the workers who experience or witness pain can find a method to alleviate their own suffering or that of others.

### TEAM LEADERSHIP

A **team** is a small number of people with complementary skills who are committed to a common purpose, performance goals, and approach for which they are mutually accountable.

**Leadership** is a process whereby an individual influences a group of individuals to achieve a common goal.

A **team leader** is someone who provides guidance, instruction, direction and leadership to a group of individuals (the team) for the purpose of achieving a key result or group of aligned results. The team leader reports to a manager (overseeing several teams). The team leader monitors the quantitative and qualitative result that is to be achieved. The leader often works within the team, as a member, carrying out the same roles but with the additional 'leader' responsibilities - as opposed to higher level management who often have a separate job role altogether. In order for a team to function successfully, the team leader must also motivate

the team to "use their knowledge and skills to achieve the shared goals.". When a team leader motivates a team, group members can function in a goal oriented manner.<sup>[1]</sup> A "team leader" is also someone who has the capability to drive performance within a group of people. Teamleaders utilize their expertise, their peers, influence, and/or creativeness to formulate an effective team.

#### Skills for Team Leader

1. **Ability to lead:** The leaders should be trained on understanding salient issues related to organizational vision, how to share it with this team members, inspire them to work in that direction and there by achieve the same. They should be also be trained on how to motivate their workforce so as to achieve the given targets. Since employees contribute better if they are aware



of their job responsibilities, instilling these insights among the employees is the primary responsibility of the team leader.

2. **Effective communication:** Leaders need to be very strong and effective at communication. They need to learn how to put their points across, share the company vision to their employees, ensure that the daily targets are completed, see that office related issues are duly focused, conduct meetings as per schedule.
3. **Create and foster networking and interpersonal relationships:** Today, the network is often viewed as real strength of a team leader. Building and maintaining good relationships with employees and other stakeholders including clients, investing time, emotion and effort to maintain everlasting relationships is important.
4. **Industry expertise:** The team leaders trained to be a voice of authority that every stakeholder expects. This expertise drives all key decisions. The team leaders should be good at evaluating the given alternatives and analyze the feasibility and which alternative is a better solution.
5. **Understanding the team needs:** The team leader should be clear about the vital skills which the team members need to perform at their best. Empower them to depute for training on these skills. If necessary, the leaders should undergo training and certifications as required and also encourage every member of the team to learn on a continuing basis.
6. **Trustworthiness:** The team leaders should be trained to display integrity, honesty and fairness. This is the only way of gaining the trust and respect from every stakeholder of the organization. In turn, every member of the team should be very serious and display high degree of commitment.



7. **Adherence to schedules:** The team leaders need to adhere to time schedules and this is one of the parameters to judge the efficiency of the team leaders. The team leaders should know their how and where they are spending time, and to eliminate wasting time. They also need to guide their team members where to invest the time and resources and contribute to profitability.
8. **Commitment:** Team leaders with high sense of commitment to business philosophy, organizational vision can inspire their team members to perform better and demonstrate high degree of commitment to customer service. Empathy and patience are two milestones to show whether the team members and team leaders are committed or not. Successful team leaders are those who often interact with their stakeholders, listen to customers, note their complaints and suggestions and contribute to innovation and higher levels of customer satisfaction.
9. **Confidence and trust:** Confidence begets trust and helps team leaders present themselves and their company well. The team leaders should be trained to be decisive and confidence on the task they take up particularly when there is high degree of uncertainty. If not, experimentation at every stage may pull down the confidence levels among the team leaders.
10. **Problem solving:** The team leader must know how to solve problems for their team and organization. The team leaders should focus more of their time to solve the problems and inspire their members to involve themselves in handling issues of higher complexity and quality.

### **Power**

There is no universally accepted meaning of power. Power has more diverse meanings than any other concept in organizational behavior. In general, it refers to a capacity that one has to influence the behavior of another so that the other person does something which would not be done otherwise. Power is social trait that impacts everyone in an organization or society. Power is a special kind of ability to make others to do what one wants them to do. Power enables one to do something which one otherwise cannot do.



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**Max Weber**, the famous Sociologist, defines power as –the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance.

### Sources of Powers

- 1. Legitimate Power :** Legitimate power comes from position in an organizational hierarchy. Legitimate power empowers the managers to reward or punish. The managers direct employees as to what tasks they should perform, whom to work with, what resources can be made use of, etc. like managers, the employees also have a legitimate power over their boss and co-workers through legal and administrative rights. The employee may say no to his boss if he perceives that the work given is outside of the official responsibilities.
- 2. Reward Power :** Senior managers have power to dispense organizational rewards such as pay, promotion, time off, vacation, schedules, work assignments or benefits to those who achieve targets and comply with organizational rules and regulations.
- 3. Coercive Power :** This comes from ability to punish others who fail to reach targets, who fail to comply with organizational rules and regulations. The managers at higher levels have power to punish those who violate organizational norms. At times, this punishment may even extend to dismissal. The poor performers will be weeded out.
- 4. Referent Power :** Role model possesses this type of power. It is based on the charisma, virtues, values, ethics and interpersonal skills of the power holder. They can influence the people.



- 5. Expert Power :** Because of the expertise one possesses, one can exercise expert power. One can suggest solutions to the given problems. This type of power comes from knowledge, skills, experience and information one possesses and accumulate over a long period of time. **For example** a doctor has expert power on his patients.

#### HANDLING EMPLOYEE COMPLAINTS

When a complaint is made, a manager should follow these five steps:

- 1. Ask the employee to detail the complaint:** Listen to the complaint carefully and objectively. Get as much specific detail as possible. For example, if the employee is complaining about sexual harassment, you would need to know exactly what happened, who was involved, the date and time of the occurrence, where it occurred, under what circumstances, and if there were any witnesses. If the employee is very vague, the problem may be different from what is initially stated. Active listening and probing will often get at the real concerns.
- 2. Get agreement on the substance of the complaint:** An employee's complaints may contain both facts and opinions. Try to separate the facts (what actually occurred) from opinions (the person's belief about what happened). For example, John may complain that he is unfairly being assigned a disagreeable task; that's his opinion. To determine the facts, you will have to review the work assignments to find out how many times John was given that assignment and how many times others were. Make as clear and simple a statement of the problem as possible and have the employee agree that you understand his concern.
- 3. Ask the employee for suggested solutions:** When it is clear exactly what the problem really is, ask the employee how he or she thinks the problem could be resolved. The remedy suggested may not be realistic or appropriate, but you need to be clear about what the employee wants.
- 4. Agree on a solution, or set up a schedule for further investigation:** Sometimes a solution will be obvious. In other cases, you will need to check on the facts and on your company policies. You may need to check on company records, schedules, union contracts, personnel rules and policies, previous decisions, and conduct further fact-finding conversations.



- 5. Schedule a follow-up meeting:** Agree to meet after a suitable interval to check on the employee's satisfaction with the solution. Once an agreement has been made, follow through on corrective action promptly and see that the employee carries out his or her part of the bargain, too. If you delay in taking action, you may lose all the goodwill you've built in settling the complaint or grievance.

#### HANDLING CUSTOMER COMPLAINTS

Complaints happen every day. When a customer complains, it is usually for a good reason or genuine concern. They usually have made a purchase that did not meet their expectation—a product, service, or maybe a combination of the two. In the customer service industry, we cannot avoid complaints. We must take care of the customer by listening to the complaint, and resolving it, to ensure a happy customer.

Here are few strategies that will help you handle a customer complaint in a smooth and professional manner:

- 1. Listen to the customer:** The customer complaints must be properly listened in order to understand what makes the customer upset. The policies of the company with which the customer is not comfortable should be analyzed. Listening should be done to understand the problem before exploring how to sort out the problem.
- 2. Understand from the customer perspective:** See from the customer point of view and look into the problem with empathy.
- 3. Involve the senior manager:** At times, the complaint could be that the frontline sales executive has not responded correctly. In such a case, the senior managers need to interfere and examine how the complaint can be sorted out.
- 4. Never fight with customer:** Fighting with the customer may worsen the issue. So, discuss with the customer in a calm and friendly manner and conduct an open discussion regarding the issues



complained of and how they will be responded to. Defend your policies calmly and see that never allow the conversation erode into an argument.

5. **Reach a solution:** Some suggestions can be offered to solve the problem such as refund or partial refund, discount coupons or offering an amicable solution so that the customer is fully happy with the outcome. Most of the complaining customers will be loyal customers and hence deal with the problem and offer them some compensation for their trouble.
6. **Improve the service quality:** Ensure that the complaints become a source of learning to improve the service quality. Draft the terms and conditions more professionally and train the employees to comply with all these provisions. Keep track of customer complaints and how these are resolved over a period of time. If the complaints are less, it is an indication that the quality of goods and services is satisfactory.
7. **Thank the customer for complaining:** Customers with complaints are always seen as trouble makers and in reality this is not so. In fact, organizations should thank such customers for giving you valuable insight into how to better serve all customers in the future.

**Institute complaint handling teams:** Keep complaint handling teams in place, discuss the details of complaints in team meetings and make changes or adjustments in company policies or customer service where needed. Institute a formal mechanism such as complaint handling teams so that employees learn from the experience and further improve the service quality.



## MOTIVATION

The word motivation has been derived from the word motive which means any idea, need or emotion that prompts a man into action. Whatever may be the behavior of a man, there is some stimulus behind it. Stimulus is dependent upon the motive of the person concerned. Motive can be known by studying his needs and desires. Generally, different motives operate at different times among different people and influence their behavior. The management should try to understand the motives of individuals which cause different types of behavior.

Motivation is an effective instrument in the hands of a manager for inspiring the workforce and creating a confidence in doing things effectively. By motivating the workforce, management creates '*will to work*' which is necessary for the achievement of organizational goals. Motivation involves getting the members of the group to perform effectively, to give their loyalty to the group and to carry out properly the purpose of the organization.

The following results may be expected if the employees are properly motivated:

- 1) The employees will cooperate voluntarily with the management and will contribute their maximum towards the goals of the enterprise.
- 2) They will improve the skills and knowledge so that they are able to contribute to the growth of the organisation. This will also result in increased productivity.
- 3) The rates of labor turnover and absenteeism among the workers will be low.
- 4) There will be good human relations in the organisation as friction among the workers and the management will decrease.
- 5) The number of complaints and grievances will come down. Accident rate will also be low.
- 6) Contributes for the improvements in quality of products.

### Definitions

McFarland has defined motivation as, -Motivation refers to the way in which urges, drives, aspirations, strivings or needs will direct, control or explain the behaviour of human beings.



Dubin has defined motivation as –the complex of forces starting and keeping a person at work in an organisation. Motivation is something that moves the person to action, and continues him in the course of action already initiated.

#### TYPES OF MOTIVATION

**1. Achievement Motivation:** This motivation is driven by a desire to attain certain goals. An individual with achievement motivation wishes to achieve objectives and advance up on the ladder of success. Here, accomplishment is important for its own sake and not for the rewards that accompany it. It is similar to ‘Kaizen’ approach of Japanese Management. This motivation is more important for professionals.

**2. Affiliation Motivation:** It is a drive to relate to people on a social basis. Persons with affiliation motivation perform work better when they are appreciated and complimented for their favorable attitudes and co-operation. This motivation is of greater use where money cannot be used to motivate, especially minimum-wage employees and contingent professionals.



**3. Competence Motivation:** It is the drive to be good at something, allowing the individual to perform high quality work. Competence motivated people seek job mastery, take pride in developing and using their problem-solving skills and strive to be creative when confronted with obstacles. They learn from their experience. Specialists, like heart surgeons would feel motivated if they get chances to operate upon unique cases.

**4. Power Motivation:** Some people are motivated by power. It is the drive to influence people and change situations. Power motivated people create an impact on their organization and are willing to take risk to do so. Oxygen may not keep them alive, but power can.

**5. Attitude Motivation:** Attitude motivation is how people think and feel. It is their self- confidence, their belief in themselves, and their attitude to life. It is how they feel about the future and how they react to the past. Good words and appreciation may motivate positive attitude people but these may not motivate negative attitude people.

**6. Incentive Motivation:** It is where a person or a team reaps a reward from an activity. It is -you do this and you get that, attitude. It is the type of rewards and prizes that drive people to work a little harder. Most of the unorganized job workers get motivated when they are offered more money. **Ex:** A father says to his son, -If you get first rank, I will buy a bike for you. A manager says to his workmen, -If you achieve your target, you would be rewarded with an incentive.

**7. Fear Motivation:** This motivation is driven by fear. Fear motivation coerces a person to act against will. It is instantaneous and gets the job done quickly. It is helpful in the short run. Managers following Theory X come into this category. In Indian army, this kind of motivation is very popular.



### RELATIONSHIP BETWEEN MOTIVATION AND PERFORMANCE

Motivated employees are the need of any organization for our changing work place. Motivated employees are more productive so they always help organization to survive in every field. For a effective managers it must to understand what type of motivates employees within the contextthe perform in role. Motivating employees is most complex for example research suggested that as employees' income increases money becomes less of a motivate also as employees get older exciting work become more of a motivator.

Most of the organization believes to motivate their employees because it influences the employee's performance by following way:-

1. Higher Productivity Levels
2. Lower Labour Turnover
3. Lower Absenteeism
4. Improve Quality with lees wastage
5. Greater Willingness to accept rather than resist change
6. Greater Willingness to contribute idea and take on responsibility
7. Employees Loyalty

It is seen that a employees performance has an impact on the organization's objective. And it is thus imperative that every employee's performance should be managed. This process of performance management includes group assessments and peer reviews. In recent time performance management systems have become more essential because managers are under constant pressure to get better progress and performance of their organization by motivating their employee.

Despite the motivation, it is necessary to briefly highlight the barriers that might affect the performance of employee. These barriers may be improper estimation of competencies, inappropriate performance goals, or lack of feedback about performance. There are some factors which affect overall employees' performance.



1. Internal Factors:- Those factors which are controlled and influenced by any organization are called internal factors like job description and selection.
2. External Factors:-In external factors, an organization has little control or no control such as demand for job or grading systems.

#### RELATIONSHIP BETWEEN MOTIVATION AND ENGAGEMENT

In general, motivation describes the force that compels people to act, or decide to take a specific course of action. Motivation is an internal state that instigates, describes and maintains behaviour. However, according to a University of Rochester study published in American Psychologist, not all motivation is the same. For example, when employees are intrinsically motivated, they're passionate about their work because they either really enjoy doing it , or they enjoy the pride and satisfaction that comes from a job well done.

On the other hand, when employees are extrinsically motivated (Intrinsic motivation is the motive that keeps individuals at tasks through its own inherent qualities), they're spurred to action by external forces, which can be either positive or negative in nature. These employees typically act in order to gain certain rewards (like time off or a bonus) or to avoid unpleasant circumstances (like an angry boss or being terminated).

An -engaged employee is one who is fully absorbed by and enthusiastic about their work and so takes positive action to further the organization's reputation and interests.

Employee engagement is actually the level of enthusiasm and dedication an employee feels toward his or her job. To these engaged employees, it is far more than a pay cheque – it is the eagerness towards their task that makes them passionate in their work, and this passion is often reflected in their individual outcomes.

An engaged employee cares about their work and about the performance of the company, and they want to feel that their efforts could make a difference. It is generally seen as an internal state of mind;



physically, mentally and emotionally that binds together the work effort, commitment and satisfaction in an employee.

Typically, engaged employees are intrinsically motivated (Extrinsic motivation is created by external factors such as rewards and punishment, etc). They love what they do, strive to master new skills and are enthusiastic about applying their talents. And there is a lot to be said for how an engaged workforce can boost any company's bottom line.

Conversely, if your employees are extrinsically motivated, they more than likely need constant prodding in order to produce. This approach may work for a short time, but it's unsustainable in the long run. Not every task or project can be rewarded with cash or perks. In addition, if employees' sole source of motivation is fear-based – like fear of displeasing their manager or losing their jobs – they can burn out quickly. In that case, what's left is a group of disillusioned, disengaged employees who can impact the bottom line, too, but negatively.



## THEORIES OF MOTIVATION

### 1. Elton Mayo's Human Relations Theory

The behavioural scientists did not view the employees mechanically in work situation, but tried to show that the employees not only have economic needs but also social and psychological needs like need for recognition, achievement, social contact, freedom, and respect. Human relations school regards business organization as a psycho-social system.

Professor George Elton Mayo (1880-1949) and his associates conducted a famous study on human behaviour at the Hawthorne plant of the Western Electric Company from 1924 to 1932 and this study formed the foundation of this school of management thoughts.

Hawthorne Experiments:

1. **Lighting Experiments:** These experiments were performed to find out the effect of different levels of lighting on productivity of labour. The brightness of the light was increased and decreased to find out the effect on the productivity of the test group. Surprisingly, the productivity increased even when the level of lighting was decreased. It was concluded that factors other than light were also important.
2. **Relay Assembly Test Room Study:** Under this test, two small groups of six female telephone relay assemblers were selected. Each group was kept in separate rooms. From time to time, changes were made in working hours, rest periods, lunch breaks, etc. They



were allowed to choose their own rest periods and to give suggestions. Output increased in both the control rooms. It was concluded that social relationship among workers, participation in decision-making, etc. had a greater effect on productivity than working conditions.

3. **Mass Interviewing Program:** 21,000 employees were interviewed over a period of three years to find out reasons for increased productivity. It was concluded that productivity can be increased if workers are allowed to talk freely about matters that are important to them.

The basic hypotheses of this study as well as the basic propositions of the Human Relation Approach are the following:

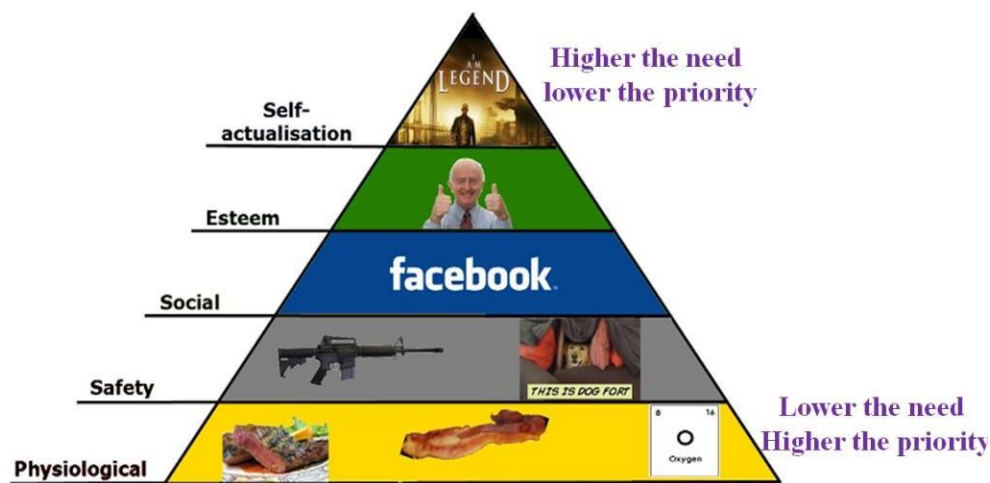
1. The social and psychological factors are responsible for workers' productivity and job satisfaction. Only good physical working conditions are not enough to increase productivity.
2. The informal relations among workers influence the workers' behaviour and performance more than the formal relations in the organisation.
3. Employees will perform better if they are allowed to participate in decision-making affecting their interests.
4. Employees will also work more efficiently, when they believe that the management is interested in their welfare.
5. When employees are treated with respect and dignity, their performance will improve.
6. Financial incentives alone cannot increase the performance. Social and Psychological needs must also be satisfied in order to increase productivity.
7. Good communication between the superiors and subordinates can improve the relations and the productivity of the subordinates.
8. Special attention and freedom to express their views will improve the performance of the workers.

The human relations approach is concerned with recognition of the importance of human element in organizations. It revealed the importance of social and psychological factors in determining worker's productivity and satisfaction. It is instrumental in creating a new image of man and the work place. However, this approach also did not go without criticism. It was criticized that the approach laid heavy emphasis on the human side as against the organizational

needs. However, the contribution of this approach lies in the fact that it advises managers to attach importance to the human side of an organization.

## 2. Needs Hierarchy Theory

This is the most widely known theory of motivation and was proposed by American psychologist Abraham Maslow in his 1943 paper "A Theory of Human Motivation" and his subsequent book "Motivation and Personality". Maslow put forward the idea that there existed a hierarchy of needs consisting of five levels in the hierarchy. These needs progressed from lower order needs through to higher level needs. People will try to satisfy their most important needs first. When a person succeeds in satisfying an important need, he will then try to satisfy the next important need. Human behavior is motivated in order to achieve certain needs.



A. **Physiological Needs:** Physiological needs are those required to sustain life, such as: Air, Water, Food, Sleep, Clothing, Fire, etc.

According to Maslow's theory, if these fundamental needs are not satisfied then one will surely be motivated to satisfy them. Higher needs such as social needs and esteem are not recognized until one satisfies the needs basic to existence.

B. **Safety Needs:** Once physiological needs are satisfied, one's attention turns to safety and security in order to be free from the threat of physical and emotional harm. Such needs might be fulfilled by:

- Living in a safe area



- Medical insurance
- Job security
- Personal security
- Financial reserves

According to the Maslow hierarchy, if a person feels threatened, needs further up the pyramid will not receive attention until that need has been resolved.

C. **Social Needs:** These are also known as affiliation needs. Once a person has met the lower level physiological and safety needs, higher level needs awaken. The first level of higher level needs are social needs. Social needs are those related to interaction with others and may include:

- Friendship
- Affection
- Family
- Intimacy
- Belongingness
- Belonging to a group
- Giving and receiving love

D. **Esteem Needs:** Once a person feels a sense of "belonging", the need to feel important arises. Esteem needs may be classified as internal or external. Internal esteem needs are those related to self-esteem such as self respect and achievement. External esteem needs are those such as social status and recognition. Some esteem needs are:

- Self-respect
- Respect from others
- Achievement
- Attention
- Recognition
- Reputation
- Independence
- Status
- Dominance



- prestige

E. **Self-actualization Needs:** Self-actualization is the summit of Maslow's hierarchy of needs. These needs indicate strong desire to achieve something. Suppose your desire is to become an engineer in Google Company. This desire works as motivator to achieve your goal. It is the quest of reaching one's full potential as a person. Unlike lower level needs, this need is never fully satisfied; as one grows psychologically there are always new opportunities to continue to grow. Self-actualized people tend to have needs such as:

- Self-fulfillment
- Peak experiences
- Reaching full potential
- Seeking personal growth

### 3. Two - Factor Theory

Frederick Herzberg was a psychologist interested in the correlation between employee attitude and workplace motivation. He wanted to find out what made people feel satisfied and unsatisfied when it came to the workplace. After spending countless hours interviewing employees about what made them feel both good and bad about their jobs, Herzberg developed a theory of workplace motivation called the two-factor theory. The two-factor theory is based on the assumption that there are two sets of factors that influence motivation in the workplace by either enhancing employee satisfaction or hindering it. He identified two factors. Such as 1) Hygiene Factors 2) Motivators.

1) **Hygiene Factors (Dissatisfiers):-** No, I am not talking about the personal hygiene of your co-workers, though that can certainly be questionable at times. Rather, Herzberg used the term 'hygiene' to describe factors that cause dissatisfaction in the workplace, are extrinsic (or independent of the work itself), and are linked to things such as

- Compensation/Salary – should be reasonable
- Job security
- Organizational/company policies – should be flexible
- Working conditions (breaks, hours, vacation)



- Quality of leadership
- Relationships between supervisors subordinates and peers (no conflict, no humiliation)
- Fringe benefits (medical reimbursement etc.)

According to Herzberg, these factors do not motivate employees. However, when they are missing or inadequate, hygiene factors can cause serious dissatisfaction. Just think about how unhappy you would be in a job where you were underpaid, were in fear of losing your job, dealt constantly with gossip, lacked effective leadership, and were surrounded by co-workers whom you despised. Hygiene factors are all about making an employee feel comfortable, secure, and happy. When hygiene factors are not fulfilled, it feels like something is missing or not quite right, kind of how you would feel if you couldn't shower, brush your teeth, or wash your hands after using the bathroom.

2) **Motivators (Satisfiers):-** These are linked to employee motivation and arise from intrinsic, or dependent, conditions of the job itself. Factors for satisfaction include

- Responsibility of work
- Job satisfaction
- Recognition
- Achievement
- Opportunities for growth
- Advancement/Improvement
- Awards and Rewards



**HYGIENE FACTORS**

**Factors that can de-motivate the employees if they are not present but don't motivate employees to work harder even they are present.**

**MOTIVATORS**

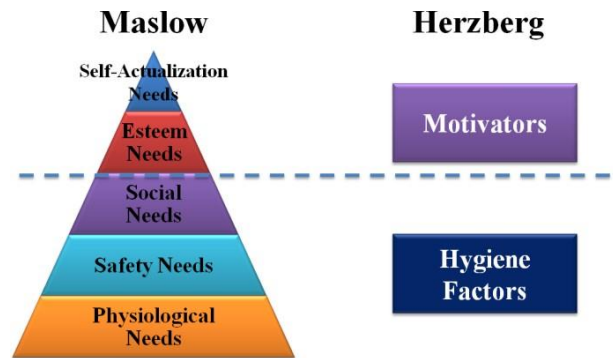
**Factors that directly motivate to work harder**

Look at this scenario.

Imagine that you are working in an organization where you are provided poor working conditions like a computer is not working properly, no ventilation, no AC, roof is leaking constantly etc. when the working conditions are like this, you never seem to be able to catch up on your work because of these conditions. You may feel dissatisfied with these conditions. These conditions will de-motivate you towards work. Meanwhile, you are informed that you have been

selected for an award for your best performance which you will be receiving in the annual day meeting. However, you might be happy for a short a moment with this award which is a satisfier but when you return to your office, these working conditions will demotivate you and you are unhappy. According to Herzberg, hygiene factors are important to employees.

A manager must be sure to provide sufficient hygiene factors while at the same time building satisfiers or motivators into employee jobs. In essence, hygiene factors are necessary to be sure a subordinate is not dissatisfied, and satisfiers are needed to motivate an employee to work towards higher level of performance.



#### 4. Theory X and Theory Y

Theory X and Theory Y were first explained by McGregor in his book, 'The Human Side of Enterprise,' and they refer to two styles of management – authoritarian (Theory X) and participative (Theory Y).

If you believe that your team members dislike their work and have little motivation, then, according to McGregor, you'll likely use an authoritarian style of management. This approach is very "hands-on" and usually involves micromanaging people's work to ensure that it gets done properly. McGregor called this Theory X.

On the other hand, if you believe that your people take pride in their work and see it as a challenge, then you'll more likely adopt a participative management style. Managers who use this approach trust their people to take ownership of their work and do it effectively by themselves. McGregor called this Theory Y.



The approach that you take will have a significant impact on your ability to motivate your team members. So, it's important to understand how your perceptions of what motivates them can shape your management style.

Douglas McGregor classified employees into two types.

1. X type of employees
2. Y type of employees

#### Theory X

Theory X (Labeled as Negative Theory) assumes that employees are naturally unmotivated and dislike working, and this encourages an authoritarian style of management. According to this view, management must actively intervene to get things done. This style of management assumes that workers:

- Employees are inherently lazy. Dislike working.
- Avoid responsibility and need to be directed.
- Have to be controlled, coerced, forced, and threatened to deliver what's needed.
- Need to be supervised at every step, with controls put in place.
- Need to be enticed to produce results; otherwise they have no ambition or motivation to work.
- prefer to be led
- Are self centered and does not care about organizational goals.

#### Theory Y

Theory Y (Labeled as Positive Theory) shows a participation style of management that is decentralized. It assumes that employees are happy to work, are self-motivated and creative, and enjoy

working with greater responsibility. It assumes that workers:

- People are willing to work; work can be as natural as play and rest
- Take responsibility and are motivated to fulfill the goals they are given.
- Seek and accept responsibility and do not need much direction.
- are capable of self-direction and creativity
- Are committed to the objectives of the organization
- Consider work as a natural part of life and solve work problems imaginatively.

#### 5. Vroom's Expectancy Theory

Victor Vroom developed the expectancy theory of motivation. This has been an alternative approach to the above needs theory disapproves the need-based behaviour of individuals. On the other hand, it suggests that individuals are motivated to act in a certain way because they strongly expect that particular action will lead to a desirable result. According to this theory,

$$\text{Motivation} = \text{Valence} \times \text{Expectancy}$$

Where,

**Valence** is strength of an individual's desire for a particular outcome. Valence may vary from -1 to +1. Valence is negative if the individual has no strong preference to the outcome. Valence is positive, if the individual has the strong preference to the outcome. Valence is zero, if the individual is indifferent to the outcome. The valence of the individual must be positive, if motivation were to take place.

**Expectancy** is the probability that a particular action will lead to a desired result. Expectancy refers to the belief that an effort will lead to completion of a task. The value of expectancy varies between 0 to 1. If an employee sees no chance that effort will lead to the desired performance, the expectancy is zero. On the other hand, if the employee is confident that the task will be completed, the expectancy has a value of 1.



## 6. Alderfer's ERG Theory

Clayton Alderfer proposed an extension of Maslow's theory of hierarchical needs called the ERG theory. The five types of needs given by Maslow are merged into three groups of core needs whose first letters are abbreviated to form an acronym ERG. The three types of core need are:

- a) **Existence Needs:** Existence needs are concerned with basic material existence requirements. The physical and safety needs of Maslow's theory are grouped up and considered as existence needs. These needs are most essential that every human being requires. Alderfer considers both the fundamental needs such as food water, shelter and the safety needs such as safety of assets, personal safety, job security etc. Are essential needs for existence.
- a) **Relation Needs:** Relation needs, the second group of need are concerned with behavioural needs such as the desires, relationships, friendships and affiliations etc. The social and status(ego) needs of Maslow's theory are considered as relational needs. People need to interact with others if they are to be satisfied. According to Alderfer, these have alignment with Maslow's theory with internal component of social needs and external component esteem needs.
- b) **Growth Needs:** Alderfer considers growth needs as an intrinsic desire and are directed to personal development. To describe these needs he broke down Maslow's need into different parts and generated lot of needs. These need include the intrinsic component from Maslow's esteem needs and the self-actualization needs.

According to Alderfer, as a person grows, the existence, relatedness, and growth for all desires also continue to grow. All these needs should be fulfilled to greater wholeness as a human being.

### FINANCIAL AND NON-FINANCIAL INCENTIVES

The personal manager has to formulate rewards or incentives which adequately satisfy the employees, these rewards can be of two types:



### Financial Incentives

- 1) **Compensation based on performance:** When the performance exceeds the given standard, the employee is said to be better in terms of piece rate, sharing profits, or bonus. The incentives the individual employee receives from time to time reflect some performance measures such as individual productivity, team or group productivity or overall organization profit for given period.
  
- 2) **Compensation based on competency:** Under this method, the pay and rewards are designed based on the competency of the employees. Competency is judged based on one's leadership skills, trouble-shooting strategies etc.
  
- 3) **Stock options:** Under this method, employees are given shares in the company in which they work. The potential growth in the market price of the share is the incentive to keep employees working in the company. This practice is perceived to develop, among the employees, a sense of loyalty to their organization.
  
- 4) **Rewards:** Rewards are individual incentives intended to reward individual performance. These include merit pay, time saving bonus, and commission.
  
- 5) **Group bonus:** Where the employees tasks are interdependent and thus require cooperation, group incentives such as group bonus make a lot of difference.

#### Non - Financial Incentives

- 1) **Consultation:** Today, most of the successful companies are those which invite participation from their employees on strategic issues such as working environment, introduction of changes, and so on. When management consults the employees for their opinions, the employees feel motivated.
- 2) **Team work:** Here the work force is organized into small groups or teams who work together. A line manager may have one or more such groups and brief them regularly. There is a spirit of competition among the groups. Each group tries to outperform the other. In the process, the employees feel highly motivated.
- 3) **Quality circles:** Quality circle is a body of employees who meet from time to time under the guidance of a supervisor to discuss way and means to improve the quality of the product and services of the organization.
- 4) **Job security:** When the employee is assured of the security of his job, he feels safer and this provides him adequate incentive to perform better.
- 5) **Job enrichment:** Here, the employees are given greater scope in deciding how the tasks should be performed. In other words, they are allowed to assume increased responsibility for planning and self- evaluation.
- 6) **Job rotation:** Doing the same job for year together may create boredom for the employee. To overcome this problem, the employee is given a different job, may be in the same department or in a different one.
- 7) **Flexi-time:** Flex-time is a method of organizing the working hours for the employees in such a way so as to provide greater flexibility in choosing their own working hours.