**Q.8. Can money acts as a motivator? Why motivation is a critical issue of interest to managers in organization? How is the ERG theory different from Need Hierarchy theory?**

Yes, money acts as a motivator because money in the form of salary, wages and bonus or incentives fulfils the requirements of employees.

Motivation is the willingness to exert high level of effort towards organizational goals, conditioned by the effort and ability to satisfy some individual needs.

**Importance of Motivation for Management**

* Motivation is an important part of managing process. A team of highly qualified and motivated employees is necessary for achieving objectives of an organization because of the following reasons:
* Motivation is directly related to the level of efficiency of employees.
* It is considered as a backbone of good industrial relations.
* Effectively motivated employees get more job satisfaction and possess high morale.
* Motivated employees make good directed efforts. They are more committed and co- operative for achieving organizational objectives.
* It also helps in improving the image of an organization.

**Comparison between Maslow’s and ERG theory:**

|  |
| --- |
| ERG Theory states that at a given point of time, more than one need may be operational. |
| ERG Theory also shows that if the fulfillment of a higher-level need is subdued, there is an increase in desire for satisfying a lower-level need. |
| According to Maslow, an individual remains at a particular need level until that need is satisfied. While according to ERG theory, if a higher- level need aggravates, an individual may revert to increase the satisfaction of a lower- level need. This is called **frustration- regression** aspect of ERG theory. For instance- when growth need aggravates, then an individual might be motivated to accomplish the relatedness need and if there are issues in accomplishing relatedness needs, then he might be motivated by the existence needs. Thus, frustration/aggravation can result in regression to a lower-level need. |
| While Maslow’s need hierarchy theory is rigid as it assumes that the needs follow a specific and orderly hierarchy and unless a lower-level need is satisfied, an individual cannot proceed to the higher-level need; ERG Theory of motivation is very flexible as he perceived the needs as a range/variety rather than perceiving them as a hierarchy. According to Alderfer, an individual can work on growth needs even if his existence or relatedness needs remain unsatisfied. Thus, he gives explanation to the issue of “starving artist” who can struggle for growth even if he is hungry. |
| **Q.7. What makes leadership effective? Describe the strengths and weaknesses of Trait approach to leadership.** |

**How to be an Effective Leader?**

A leader must have leadership skills such as-

* Human skill
* Conceptual skill
* Technical skill
* Personal skill

Apart from that a leader should possesss the following qualities-

* A leader must know him and continuously seek self improvement.
* Knowing people/follower and thinking about their favorites.
* Be technically proficient.
* Must inform followers.

**Trait theory of Leadership**

It is traditional theory of leadership. The theory believed that leaders were born and not made. Leadership behaviour was the sum of traits (the qualities), the leader possesses. The traits or personal characteristics that leader is expected are as follows:

**1. Physical traits**: energy, activity, appearance and height.

**2. Intelligence traits**: judgments, knowledge, decisiveness and fluency of speech.

**3.Personality traits**: adoptability, enthusiasm, alertness, creativity and self-confidence.

**4. Work related traits**: desire to excel, task orientation, initiative and achievement drive.

**5. Social traits**: inter-personal skills, cooperativeness, popularity, prestige, sociability and administrative ability.

The application of this theory in the organization is failure as the managers do not exactly know what the qualities of successful leader.

**Limitations of trait theory**

* The list of given leadership qualities are not in order of importance so it is confusing.
* There is no quantitative tool to measure the traits.
* Leadership traits are neither common nor universal in nature.
* Theory assumes leaders are born and traits cannot be acquired and developed.
* The theory does not consider situational factors that influence the leader more than their own traits. Traits help in facing situations but they cannot change the situation.