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# TOURISM MANAGEMENT

Whether you aspire to be a manager, owner, an employee in a tourism organisation or tourism professional, an understanding of management, its functioning, roles and responsibilities of managers is always useful. Promotion and development of responsible tourism requires professional approach for managing various operations and it is essential for every one aspiring to join any area of tourism to be aware of the basic principles and practices of management in order to be effective and successful. In this lesson an attempt is made to familiarise you with different issues in management in order to equip you with required management skills and knowledge. It attempts to make you aware of management concepts and principles as applicable in diverse operations of the tourism industry, familiarise you with the skills needed in this area, expose you to the motivation concept and the major theories of motivation and enrich your understanding of various styles of leadership by making you familiar with some important theories of leadership. A brief study of the individual and group behaviour is also the subject matter of this lesson.



## OBJECTIVES

After studying this lesson, you will be able to:

- explain the concepts and functions of tourism management;
- develop roles, skills and tasks of a manager;
- explain the concepts and theories for motivation of tourism;
- describe leadership theories and styles and
- identify individual and group behaviour.

## 15.1 CONCEPT AND FUNCTIONS OF MANAGEMENT

Management has become an important component of our daily lives. Its relevance is increasing day by day in the modern industrial world. All the

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organisations whether business or non business, government administration or civil administration, defence organisations, hospitals, educational institutions and even domestic set ups need proper management. In order to make proper utilisation of all material, physical and human resources, we should have an effective and efficient management system so that it is easy for us to accomplish the set targets. Management consists of all the activities that lead a manager towards the accomplishment of organisational objectives.

Though different authors have defined management in different ways but the theme of management is same. It is the process of designing and maintaining an environment for the purpose of efficiently accomplishing selected aims. Managers carry out the functions of planning, organizing, staffing, leading and controlling. It highlights the proper handling of people at work and to give them a right direction so that they will be motivated to work towards the achievement of organisational objectives. It implies the optimum use of human and physical resources to minimise the cost and to increase the profits. Henry Fayol defines management as “to manage is to forecast and plan, to organise, to command, to co-ordinate and control”. S George argues that, “management consists of getting things done through others. A manager is one who accomplishes the objectives by directing the efforts of others”. According to George R Terry “management is a distinct process consisting of planning, organising, activating and controlling performed to determine and accomplish the objectives by the use of people and resources”.

Management is a three tier activity. The top tier centres round the determination of objectives and policies, middle tier is concerned with implementation of policies through the assistance of lower tier of the organisation. Top level of management consists of Board of Directors, its chairman, managing director or general manager and other key officers. This is the ultimate source of authority entrusted with the responsibility of conducting the affairs of an enterprise smoothly, successfully and satisfactorily through judicious planning, careful regulation, arranging for effective execution and vigilant control. It acts as the main mobilizer of all physical, material and human resources essential for the inception, maintenance, operations and expansion of the undertaking. Middle level of management is concerned with the task of implementing of plans and policies chalked out by the top management. It generally consists of heads of departments and other executive officers attached to different departments. Middle level management supervises the lower level workers and gets work done through them. This level of management refers to those executives whose work is to oversee and direct operative employees. It includes supervisors, foremen, finance and accounts officers, sales officers, etc.

### 15.1.1 Objectives of Management

The objectives of management can be classified as follows:

**Organisational:** The main objective of management is to make a proper utilisation of human and material resources so that it gives maximum advantage to the organisation. Every management group strives to achieve these objectives. These objectives can be profit, survival and growth.

- *Survival:* The basic objective of every organisation is survival and perpetuality. Management must ensure survival through sufficient profits
- *Profit:* Profit is the whole and sole objective of every business. Therefore, management must enable the organisation to earn maximum profits.
- *Growth:* Organisations always expect earning of adequate profits and a long survival for their business which in turn can lead to their growth and expansion. Management must help in covering the uncovered aspects, all risks, meet future challenges and ensure growth and prosperity.

**Social:** Management has to see through social lens and take care of social problems through welfare activities. Social objectives of an organisation aim at using environment friendly methods of production, providing quality products to customers at reasonable prices, providing employment opportunities to people and basic amenities like schools, hospitals and crèches for employees etc.

**Personal:** People join organisations to fulfil their personal objectives and satisfy their basic needs of life. They try to achieve their financial needs like salary and other incentives like bonus etc, social needs like respect, regard and recognition, higher order needs like growth and development, promotions and future prospects. In order to bring harmony in organisations, management has to integrate personal goals with organisational goals.

### 15.1.2 Importance of Management

The importance of management can be highlighted in the following ways:

Management gives a proper direction for the accomplishment of common individual and organisational goals. Without management all the resources like financial, material and human resources will be useless. Management puts all other resources into action and maximises the objectives of the organisation.

Management makes an organisation adaptable to the changing environment. The change in technology, tastes of the people, change in fashions and change in demand of the products all exert a great influence on business. Management has to be responsive to these future challenges.



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Management generates human values in the organisation. It is men not machines, materials and money that lead towards the accomplishment of organisational objectives.

Management helps in increasing efficiency for the success of an organisation. It makes proper use of available time and resources in an efficient way, eliminates all types of wastages to reduce the costs and leads to profit maximisation.

An organisation has many obligations towards different groups of society that constitute it. The process of fulfilling their objectives aim at the growth and development of organisation as well as society, providing better quality goods at reasonable prices, generating employment opportunities, increasing wealth of nation and wages to workers.

**15.1.3 Functions of Management**

Management is generally treated as a process and the process refers to various functions which are performed in a sequence by a manager. It is a process of exercising authority and undertaking responsibility in planning, directing, controlling and executing the business operations and realising the results there of. All functions can't be performed by a single individual. As Allen has rightly said, 'it is humanly impossible for one individual to do justice to the multitudinous and complex demands of both managing and operating the business. They have to be entrusted to different individuals all along the enterprise.

The main functions of management are as follows:

**Planning**

Planning is the first and foremost function of Management. It is termed as the nucleus of Management and all other functions of management revolve around planning. The planning function involves the process of defining goals, establishing strategy for achieving those goals, and developing plans to integrate and coordinate activities. Planning leads to ensuring proper utilization of human and material resources to earn profits. It means deciding in advance what to do, when to do, how to do, where to do, when to do and by whom it is to be done. The nature and scope of planning varies as per the level of manager. For example, an escort may plan for the day tour or the group's total tour but the tour operator will plan for packaging the tour, marketing it, and catering to the group etc.

In a service organisation like tourism, it is essential that not only the top or middle managers but the employees also plan their activities keeping in view the organisational goals. Every tourism related activity, service or development

at a particular location, region or level requires a lot of planning. Today tourism planning has emerged as a specialised area and you have planners, estate planners, corporate planners, tour planners etc. Department of Tourism, Government of India has formulated National Action Plan on Tourism. Tourism Plan of Maharashtra is also well known.

### Organizing

Organizing includes the process of determining what tasks are to be done, who is to do them, how the tasks are to be grouped, who reports to whom and at what level decisions are made. It refers to the way in which work is arranged and allocated among members of the organization so that the goals of the organization can be efficiently achieved. Organising is the formal grouping of activities and resources for facilitating attainment of specific organizational objectives. It is possible to achieve objectives without formally organizing, but then there is a likelihood of a great wastage of resources and time. Organising ensures that objectives are achieved in the shortest possible time, in an orderly manner, with maximum utilization of the given resources. It involves assembling of raw materials, tools, mobilization of capital, selection of personnel and determination of duties and responsibilities of human resources in different sections at all levels of the hierarchy of the organization. The elements of organizing include grouping of activities, allocation of duties, fixation of responsibilities, delegation of authority and establishing relationship between different components of authority

In the context of a firm, its people, machines, building, factories, money, and credit available for use are the resources at its disposal. All these resources are limited. The role of a manager is to organize all these resources, so that there is no confusion, conflict, duplication or wastage in achieving the organisation's objectives. The manager will be required to allocate to each person his role, designation and position in the organization, his responsibility for achieving specific objectives and authority for utilizing the resources assigned to him, and the higher authority to which he periodically reports his progress.

### Staffing

Human resources are the most precious resource and biggest asset of an organization. Staffing of an organization is as important as the structure itself. Staffing involves the recruitment, selection, training, placement and promotion of the employees. It needs manpower planning, job analysis and other staff functions. It is a continuous process because of the employee turnover, retirements and new requisitions on account of expansion etc. Right man for the right job at the right time and doing right things should be the slogan of

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an organization in order to excel and achieve the designed goals. The staffing function includes the activities of defining the requirements of the people with regard to the job to be done. The proper procedure of selection has to be followed. Selection should be made sensitively. After appointment of the relevant and required personnel, they should be properly trained and made adjustable to the changing environment of the organization. Therefore, precautions have to be taken while making the choice of best human resource. This function is performed by all managers in the organization or by a separate Department known as Personnel Department depending upon the size of organization and important activities.

**Directing**

Directing means telling people what to do and seeing that they do it to the best of the ability. It aims at guiding directing and inspiring people to perform the job in the best possible way. Direction is concerned with the execution of planning. It initiates organized action and breathes life into the organization. As a process of management, direction is concerned with getting work done through and with people. They require continuous encouragement and boosting to work effectively. Once the employees get the best orientation and training, it becomes the responsibility of superiors to guide, motivate and lead them for better performance. A good planning and the best organizing may fail to deliver if directions are faulty and not up to the mark.

**Coordinating**

Coordination is the art of achieving harmony of individuals and group efforts for the achievement of common goals. It is termed as the binding force of all the other functions of management. It is a process of integrating the group activities of people in an organization. Coordination is regarded as the culmination of all the managerial process. It is the harmonious adjustment of all the factors of production. As the players in a Hockey Team, Cricket Team can't defeat the opposing team without proper coordination, in the same manner employees of an organization cannot succeed in achieving the objectives of their interest if they have no team spirit. According to Henry Fayol, "to coordinate is to harmonize all the activities of a concern so as to facilitate its working and success". Planning and execution howsoever accurate and skilful can't be fruitful unless management establishes harmonious blending of activities through organisational arrangement and administrative action. The administrative arrangement must be such that activities at each stage are enjoined in a proper sequence and the final procedure comes forth as desired. Similarly, activities concerning production, purchases, sales, finance etc are unified to ensure continuity.



## Motivation

Motivation is an activity by which the Management motivates the workers of an enterprise to do more and better work. It is a stimulating force which inspires all the employees of an organisation to work for the organisation whole heartedly so that the pre-determined objectives of an organisation can be achieved. It is a psychological technique of executing the plans and policies through the efforts of others. Hiring a worker and assigning him the duties will not complete the Management process. It is a famous proverb that you can lead a horse to river but can't make him drink. Motivation is a constructive force in management for objectives and directions. In the same manner a manager must not forget that he can buy a man's time, his physical presence at the work place but he can't buy his enthusiasm, loyalty or initiative. Management needs to create the willingness and the urge to use their talent for better performance.

## Controlling

Controlling is termed as a yardstick for measuring the performance of the organisation. It is a process of examining and evaluating the work turned out by subordinates in different departments of the Organisation. It is the measuring and correcting of activities of subordinates to ensure that events conform to plans. It measures performance against goals and plans, shows negative deviations exist and by putting in motion actions to correct deviation, helps ensure accomplishment of plans. Controlling helps us in ensuring that all the activities of an organisation are being carried out as originally planned. In the process of control, data of actual results are collected and compared with the expected results – If the actual results are good and according to the prescribed standards. Controlling imposes the responsibility on the management to verify whether performance of the results conform to the plans, policies and standards which were adopted. Its main aim is to detect imperfections in working or deviations from the planned course and by undertaking remedial measures to channelize the efforts of the subordinates back to the chosen path. Controlling is a backward looking process and the best kind of managerial control corrects deviations from plans before they occur.



### ACTIVITY 15.1

Meet the manager of any tourism firm. Try to find out what kind of managerial tasks he performs and whether he applies the management concepts and functions in his business operations.



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### INTEXT QUESTIONS 15.1

1. What do you understand by Management?
2. Enlist the core management functions performed by a tourism manager.
3. What are the steps involved in the planning process.
4. What does control process mean?

## 15.2 ROLE, SKILLS AND TASKS OF A MANAGER

### 15.2.1 Role of a Manager

A role consists of the behaviour patterns expected of an individual within a social unit. Roles are inherent in functions. All managers have authority over their subordinates, act as decision makers and are involved in interpersonal relationships with subordinates, peers and superiors. A manager is the role model for all the employees of the organization. His role has to be effective and constructive in re-shaping the entire structure of an organisation. Sometimes he has to behave like a king giving directions and guidelines, orders and instructions to his subordinates and sometimes he has to work as a lower level worker. Sometimes he behaves like a friend, sometimes parent, and sometimes like a tough officer. All these fluctuating roles help him to make people work in the organisation and achieve the goals of organization. A manager can be compared to a captain of a ship who has first to set the course to reach the destination and then steer the ship along the course. In the same way, a manager has to first set the objectives which the firm must achieve.

Roles a typical manager has to perform in discharging his day-to-day activities can be grouped as follows:

#### Interpersonal Roles

This refers to those types' of managerial roles that involve people and other duties that are ceremonial and symbolic in nature. There are three types of interpersonal roles:

1. **Figure head Role:** Manager performs a role as symbolic head and accordingly he is obliged to perform a number of routine duties of legal or social nature. The typical activities include greeting visitors, signing legal documents etc.
2. **Leader Role:** As a leader of the department, the manager gives direction to his subordinates to fulfil the assigned goals and objectives. He is



responsible for their motivation and activation, staffing and training, goal setting, guidance, reviewing the progress of work etc.

- 3. Liaison Role:** The manager is required to maintain contact with sources that provide valuable information which include individuals or groups outside the manager's unit and may be inside or outside the organization. For this he has to maintain self-developed network of outside contacts and informers.

### Informational Roles

This includes the following types of managerial roles that involve receiving, collecting and disseminating information:

**Monitor:** A manager is spanning the boundaries of the organization and trying to get information from outside through various sources. He seeks and receives variety of special information through understanding of the organization and environment. He emerges as the nerve centre of internal and external information about the organization.

**Disseminator:** A manager is expected to transmit information received from outside or from subordinates to the members of the organization by holding informational meetings, making phone calls etc. Some information is factual and some may involve interpretation and integrating of diverse value positions of organizational influencers.

**Spokesman:** Manager represents the organization to outsiders by performing the role of a spokesman. He transmits information to outsiders about the organization's plans, policies, results, achievements and serves as an expert on the chosen field by giving value suggestion to the community.

### Decisional Roles

Four types of decisional roles which include those managerial roles that revolve around decision making are:

**Entrepreneur:** As entrepreneur, a manager initiates and oversees new projects that will improve organization's performance. He thoroughly analyses the strengths of the organization and the opportunities available in the environment and takes initiative to implement improvement projects to bring about worthwhile changes within the organization and continuously supervise designing new developmental projects.

**Disturbance Handler:** As disturbance handler, a manager takes corrective action in response to unforeseen problems within as well as outside the organization. Whenever any conflicts occur among the subordinates regarding the sharing of resources, allocation of funds etc; the managers intervenes appropriately and resolves those issues.



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**Resources Allocator:** Manager is responsible for the allocation of organizational resources – physical, human, monetary resources of all kind and in effect, the making or approval of all significant organizational decisions. For this he is scheduling meetings, requesting authorization, budgeting and programming subordinates' work.

**Negotiator:** Managers discuss, negotiate and bargain with other groups to gain advantage for their own organisations. They negotiate with business partners in case the organization is seeking alliances to venture projects or extend their operation in new marketing area.

### 15.2.2 Skills of a Manager

Managers need certain skills in order to perform the duties and activities associated with various functions. These skills are generally grouped as technical skills, human relations skills and conceptual skills. The relative importance of these three skills varies with the level of managerial responsibility. As managers progress from lower level to senior level, they are expected to acquire more of human relations and conceptual skills. Technical skills are not so important for the chief executives in large organisations where such executives have extensive staff assistance and highly competent, experienced and technical operators are available. Thus technical skill deals with jobs, human skill with the person and conceptual skill with ideas. These three types of skills are inter-related. Let us understand the types of skills first and then see how these skills are useful for the manager who has to use these at various levels of managerial hierarchy.

#### Technical Skill

Technical skills include knowledge of and proficiency in certain specialized fields such as engineering, computers, finance, manufacturing etc. Vocational and on-the-job training programmes largely do a good job in developing this skill. For example, mechanics work with tools, and their supervisors should have the ability to teach them how to use these tools. Similarly accountants apply specific techniques in doing their job. First line managers and middle level managers are required to acquire mastery over the technical aspects of the organizational work operations. An accountant must know how to prepare accounts; a computer operator must have ability in programming and operating a computer.

In today's age of specialization, technical skill is perhaps the most familiar one, required by the greatest number of people. In a desire to become an efficient

administrator, particularly at the first level, this skill becomes indispensable for an efficient operation. As a supervisor of a set of workers, you would like to ensure if your workers have sound grounding in the principle, structure and process of their individual specialty along with actual practice and experience during which your workers are watched and helped by you as a superior. This appears to be the best way to develop the technical skill.

### Human Relations Skills

Human or interpersonal skills refer to the ability to work with, understand and motivate other people; the way the individual perceives his superiors, equals, and subordinates, and the way he behaves with them. Some of these human relations skills include communicating, motivating, delegating and negotiating skills. As managers deal directly with people within as well as outside the organization, such types of human relations skills are crucial in maintaining effective interpersonal relations. These skills are required to motivate the workers as groups or individuals to win their support and cooperation and to build effective teams. Managers need to be aware of their own attitudes, assumption and beliefs as well as being sensitive to their subordinate's perceptions, needs and motivations. If a manager possesses a highly developed human skill and is aware of his own attitude, assumptions and beliefs about other individuals and groups, he will be able to see their usefulness and limitations and they will be likely to accept others view points, perceptions and beliefs. He can judge the possible reactions to and outcomes of the various courses of action he choose to undertake.

The human skill of a manager becomes a continuous and natural activity with him so that whatever he says or does has an impact upon his associates. An awareness of the importance of human skills should be part of a managers orientation and such skills should be developed throughout the career. The human skills can be developed without any formal training for some employees, others may be individually aided by their immediate superiors who themselves should possess the human skill in order to be able to impart that.

### Conceptual Skill

This skill involves the ability of seeing the organization as whole with a holistic approach , recognising how the various functions of the organisation depend on one another, visualising the relationship of the individual business to the industry, the community, and the political, social and economic forces of the nation as a whole. Such skills help the managers to conceptualize the environment, to analyze the forces working in a situation and to take a broad and foresighted view of the organisation. In developing the conceptual skill, some of the best results have been achieved through coaching of subordinates by superiors and by moving promising young employees through different

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functions of the business but at the same level of responsibility. Though conceptual skills are needed by all managers at all levels, these skills become more important in top management positions because the top management managers often deal with abstract ideas, whereas lower-level managers normally spend more time dealing with observable technical day-to-day operational activities. As a manager you should have the ability to coordinate and integrate a variety of factors. You need to view situations and determine the inter-relatedness of various factors. The success of any decision depends on the conceptual skill of the people who make the decision and those who put it into action.

**15.2.3 Tasks of a Manager**

As a professional manager you are responsible for your own and your subordinates' performance. Performance implies action and action necessitates doing certain specific tasks. Whether as a practising tourism manager or an aspiring one, your first concern is to know the tasks which you are required to fulfil in the organisation. The specific tasks of a manager flow from his job description and may vary depending upon the managerial level, function and industry to which the manager belongs. Given the wide range of diverse tasks a manager is required to perform, it is essential that the manager is a thinker, a doer and a people oriented person all rolled into one.

The main tasks which a tourism professional is expected to do to produce results are as follows:

1. Provide purposeful direction to the organisation for attainment of its objectives.
2. Maintain a firm's efficiency for profit generation which is essential for its growth and survival.
3. Anticipate and prepare for meeting the challenges of increasing competition
4. Build human organisation by creating a team spirit and teamwork.
5. Plan and manage for innovation by tapping all the sources of innovation.
6. Protect the interests and welfare of employees in order to gain their confidence and inculcate a sense of loyalty among them.
7. Retain talent and postpone obsolescence in the organisation
8. Upgrade skills and undertake constant training of employees for meeting the challenges of change.
9. Keep oneself updated on internal and external information pertaining to the organisation
10. Maintain cordial relations with various segments of society for fulfilling the needs of the society.

**ACTIVITY 15.2**

Visit any nearest tourism related firm and ascertain whether their employees are trained and educated enough for future. What skills should they have and from where they can obtain them?

**INTEXT QUESTIONS 15.2**

1. Enlist various managerial roles.
2. Name the three types of managerial skills.
3. Which tasks are mainly performed by a professional Manager?

## 15.3 CONCEPTS AND THEORIES FOR MOTIVATION OF TOURISM

### 15.3.1 Concept of Motivation

The word motivation is derived from the Latin verb *movere*, which means “to move”. That which *moves* a person to act or behave is what motivates a person. The inner drive, the urge or the desire of the person to do something is called motivation. Motivation is defined as an individual’s intention or willingness to put maximum effort in their work to reach organizational goals and enhance one’s ability to satisfy some individual needs. As the motive is within the individual, it is necessary to study needs and emotions in order to motivate him to work. If we can identify what motivates a person to behave, we can understand the person.

Motivation may be regarded as something which compels and energises an individual to act or behave in a particular manner at a particular time for attaining some specific goals. Motivation is the driving force that inspires people to put their efforts willingly for the achievement of organizations objectives. It is a psychological phenomenon which energizes, activates and stimulates the internal feeling of the employees to accomplish desired goals. Arousal of such a feeling in the mind of an individual drives him automatically to attain the expected goals of an organisation. It can’t be forced; you can buy a man’s time, his physical efforts but not his enthusiasm, initiatives or loyalty. There is a saying “you can lead a horse to water but you can’t make him drink”. Motivation is a personal and natural feeling of the mind of a person. It inspires and boosts a person to make his efforts to satisfy the needs of his life. It develops the mental power of an individual and motivates him to do more and better and to use his ability and efficiency to the best possible extent which increases his efficiency.



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Monetary incentives and non-monetary incentives are two types of incentives that have a positive impact upon the employees. Monetary incentives which include, wage or salary, bonus, overtime, monetary rewards, interest on investments have a direct bearing on the employees as these help them to satisfy their basic needs. Non-monetary incentives including an urge for respect, ego, gratification, promotion, rewards, honour, leave, delegation of authority, etc. work equally well for boosting their morale towards their work.

In short, motivation is referred to as a process of inducing people to act towards the achievement of the desired goals. It is mostly concerned with inspiring the people to act to satisfy their needs because it is human needs that give rise to motivation. An ‘unsatisfied need’ motivates a person to work hard and fulfil the task. Motivation changes the negative attitude of an employee to a positive one. It reduces labour turn-over, absenteeism and other methods of remaining away from the work.

**15.3.2 Theories for Motivation**

The root of all motivation seems to be needs of an individual which orient and energise the person to engage in behaviour that will satisfy his needs. Attempts to explain this view of behaviour have given rise to various theories of motivation. Here we shall take a cursory look at the bare outlines of some of the important theories of motivation.

**Maslow’s Hierarchy of Needs**

This theory was developed by a well known psychologist A.H. Maslow and got popularized during the early 1960s. He classified all human needs into five categories and arranged them in a hierarchy: i) Basic or physiological needs, ii) Safety and security needs, iii) Love or belongingness needs, iv) Esteem needs, and v) Self-actualisation needs. Maslow classified these five needs into two broad categories as higher order needs and lower order needs. The basic needs such as physiological needs, safety needs and love and belonging needs were classified as lower order needs, where as self esteem, self actualization needs were described as higher order needs. If a person gives much importance to the external factors such as salary, security, company policy, fringe benefits etc. the lower order needs are very dominant in him. On the other hand, if a person assigns challenging assignments, self-esteem, recognition, the higher order needs are very dominant in him. Maslow says that only unsatisfied needs motivate, but they follow a sequential hierarchy. Only when the physiological needs of a person are reasonably satisfied will the person be motivated by the next set of (safety) needs. When the physiological and safety needs are reasonably satisfied, the person will feel the urge of love, esteem, and self- actualisation needs in that order—after each preceding need has been, and continues to be,



reasonably satisfied. This is true that human beings satisfy their needs in the order as described by Maslow, but the importance of needs varies from person to person and time to time according to the circumstances.



**Figure 15.1: Maslow's Hierarchy of Needs**

Maslow's theory of motivation has probably received more attention from managers than any other theory of motivation, since it classifies human needs in a logical and convenient way—one that has important implications for managers. As a manager if you want to motivate an employee, first try to understand what level that person is on in the hierarchy and focus on satisfying those needs at or just above the level. Maslow's Hierarchy of Needs theory can be applied to motivate people at all levels in the organization. Managers who understand the need patterns of their staff can help the employees to engage in all kinds of work activities and provide the types of work environment that will satisfy their needs at work. Thus, despite its drawbacks, Maslow's theory offers managers a good technique of understanding the motives or needs of individuals and how to motivate organizational members.

### Herzberg Two-Factor Theory of Motivation

Herzberg's two-factor theory of motivation suggests that there are two sets of factors which either lead to job satisfaction or dissatisfaction. They are motivating factors and hygiene factors. The presence of motivating factors always ensures job satisfaction and happiness among the employees which can result in good job performance. These motivating factors include achievement, recognition, responsibility, advancement, personal growth and development and the work itself. These are related to the content of the job and are called satisfiers. The other set, which leads to dissatisfaction, is the hygiene factors such as salary, job security, company policy, supervision, status, security, interpersonal supervision, fringe benefits and working conditions. These factors are related to the context of the job and are called dissatisfiers. An improvement in the hygiene factors would only minimize dissatisfaction but not increase satisfaction and motivation.



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Ideal Situation where employees are highly motivated and have few complaints:



**Figure 15.2: Two-Factor Theory**

According to Herzberg, the factors that led to job satisfaction were separate and distinct from those that led to job dissatisfaction. The intrinsic factors are related to job satisfaction and motivation, whereas extrinsic factors are associated with job dissatisfaction. In order to motivate employees, the managers must ensure to provide the hygiene factors and then follow the motivating factors. As managers you need to remember that if you want to motivate people on their jobs, you should give much importance to the job content factors. You should utilize the skills, abilities, and talents of the people at work through effective job designing. In other words, the work given to employees should be challenging and exciting and offer them a sense of achievement, recognition, and growth. Unless these characteristics are present in the job, employees will not be motivated.

**McGregor’s Theory X and Theory Y**

In general, people tend to have either positive or negative assumptions about human nature. Based on these assumptions, McGregor proposed two sets of theories as Theory X (negative assumptions) and Theory Y (positive assumptions). Theory X represents the traditional approach to managing and is characterized by the following basic assumption about human beings:

- The average human being has an inherent dislike of work and will avoid it if they can.
- Most people must be coerced, controlled, directed, and threatened with punishment to get them to put forth adequate effort towards the achievement of organizational objectives.
- The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all.
- Such control can be achieved by the appropriate use of rewards and punishment.

Theory X usually operates in traditional and highly centralized organizations. The implication for a manager working in an organization with Theory X assumption is that the group will be strictly controlled and supervised; decisions

will be made largely by the manager and communicated in a formal situation and the members of the group will rarely be involved in determining their own tasks.

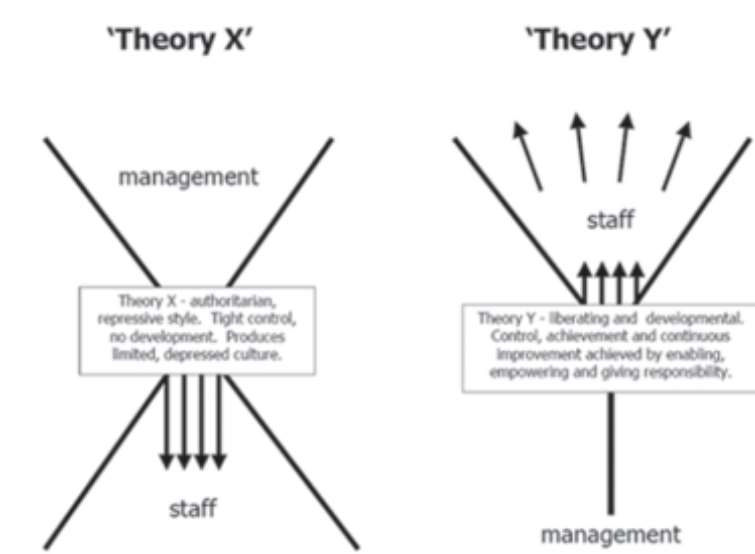


Figure 15.3: McGregor's Theory X and Theory Y

Theory Y, on the other hand, is more people oriented. It is based on the following assumptions:

- The expenditure of physical and mental effort is as natural as play or rest.
- People exercise self-direction and self-control in the services of objectives to which they are committed.
- Commitment to objectives is a function of rewards associated with their achievement.
- The average human beings learn, under proper condition, not only to accept but to seek responsibility.
- The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely distributed in the population.
- Under the conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized.

Managers operating under Theory Y assumptions more likely consult the group, encourage members to contribute to decision making and work without strict supervision. Theory Y helps managers in delegating authority for decision making, enlarging and enriching jobs of workers by making them less repetitive, increasing the variety of activities and responsibilities and improving the free flow of communication within the organization.



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**Alderfer’s ERG Theory**

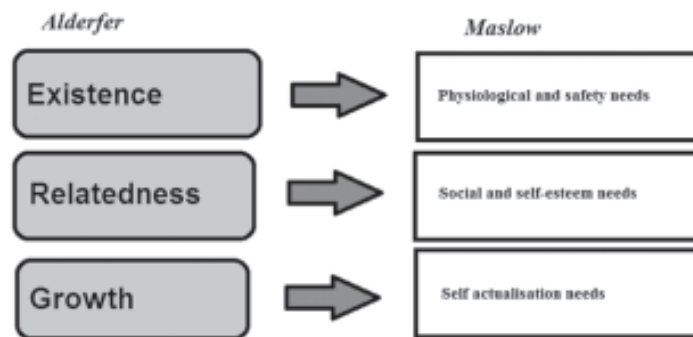
Clayton Alderfer proposed a modified version of Maslow’s need hierarchy and re-classified human needs into existence or survival needs, relatedness or social needs, and personal growth needs. A brief description of these needs is as under:

**Existence needs** are various forms of physiological and material desires, such as hunger, thirst and shelter. In organizational settings, the need for pay, benefits, and physical working conditions are also included in this category which is comparable to Maslow’s physiological and certain safety needs.

**Relatedness needs** include interpersonal relationships with others in the workplace and depend on the process of sharing and mutuality of feelings between others to attain satisfaction. These are similar to Maslow’s safety, social and certain ego-esteem needs.

**Growth needs** involve a person’s efforts toward creative or personal growth on the job. Satisfaction of growth needs results from an individual engaging in tasks that require the person’s full use of his or her capabilities, and the development of new capabilities. Growth needs are comparable to Maslow’s self-actualization and some ego esteem needs.

**Alderfer’s ERG Theory**



**Figure 15.4: Alderfer’s ERG Theory**

ERG theory is based upon three major propositions:

1. The lesser each level of need has been satisfied, the more it will be desired (need satisfaction).
2. Greater the lower level needs have been satisfied, the greater the desire for higher level needs (i.e., desire strength).
3. Lesser the higher level need have been satisfied, the more the lower level needs will be desired (i.e., need frustration).

According to Alderfer, the rank of these categories is neither universal nor predictable; it differs from person to person as a function of culture, education, family background, age, etc. Neither the sequence nor the salience of these needs can, therefore, be generalised to all individuals.

### McClelland's Theory

David McClelland contends that the motive profile of a person can change, both as a function of one's life course as well as formal training. He proposed three types of needs common in work life: Need for Achievement, Need for Power and Need for Affiliation. Udai Pareek, an Indian psychologist, who worked with McClelland, added the need for extension to the list.



Figure 15.5: McClelland's Theory

**Need for Achievement** refers to the drive to excel, to achieve in relation to a set of standards and to strive to succeed. People with a high need for achievement have a desire to do something better or more efficiently than it has been done before. They prefer jobs that offer personal responsibility for finding solutions to problems, in which they can, received rapid and unambiguous feedback on their performance in order to tell whether they are improving or not and in which they can set moderately challenging goals.

**Need for Power** refers to the need to make others behave in a way that they would not have behaved otherwise. Individuals high in Need for Power enjoy being 'in-charge', strive for influence over others, and prefer to be in competitive and status oriented situations. Individuals high in personal power like to inspire subordinates and expect the latter to respect and obey them. Managers, who are high in institutional power, tend to exert authority and influence so as to achieve the goals of the organization rather than to gain any personal ego



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satisfaction. Persons with high need for power would naturally be turned on by holding positions of authority and influence in the organization.

*Need for Affiliation* refers to the desire for friendly and close interpersonal relationships. Individuals high in Need for Affiliation like to interact with colleagues in the organization. They have a strong desire for approval and reassurance from others. They are willing to conform to the norms of groups to which they belong. They are usually gregarious by nature and like to work with others in a friendly atmosphere. People high in need for affiliation are said to perform better in their jobs when they are given supportive feedback. Thus, friendly managers and supervisors can influence individuals high in Need for Affiliation and motivate them to work harder.

**Equity Theory**

Adam's equity theory of motivation is based on the assumption that every one tends to compare the ratio of their input and out come with that of the other person. The comparison process is highly inevitable and the compared person is always in the same group, class, age, category etc. Employees might compare themselves with other friends, neighbours, co-workers, colleagues in other organizations. There are many factors which moderate the selection of reference person such as age, sex, education, tenure, nature of job etc. For example, a hotel manager will always compare himself with other fellow hotel managers. If a person feels that his ratio of input-outcome is more or less equal to that of his comparison person's ratio, a state of equity exists and he perceives the situation as just and fair. Otherwise, he will experience inequity which will lead to tension and stress. The person feels a negative inequity, when he has been rewarded less for his efforts than the other. The person, on the other hand, experiences a positive inequity, when he finds himself rewarded more than the other for a similar degree of effort.

Equity theory sensitizes managers to the fact that individuals often make equity comparisons and that sometimes the rewards given by managers may have consequences which might be reflected in the subordinates' behaviours. This is especially true when visible rewards such as promotions, pay increases and bonuses are given to employees. Managers must anticipate when the employees experience inequities and try to adjust the behavior by communicating and explaining the performance appraisal process to their employees. As managers you should consider openly sharing information on how allocation decisions are made, following consistent and unbiased procedures and engaging in similar practices to increase the perception of procedural justice. By increasing the perception of procedural fairness, the employees are likely to view their bosses and the organization as positive even if they are dissatisfied with pay, promotions and other outcomes.

### Vroom's Expectancy Theory

Victor H Vroom presents a theory, which appears more comprehensive than other theories and is applicable to employees at work as well as humans in general. The theory states that motivation to behave or perform depends on three variables: Expectancy, Instrumentality, and Valence. *Expectancy* refers to the linkage between effort and performance; it represents the strength of one's belief that such-and-such effort will result in such-and-such performance outcome. *Instrumentality* refers to the linkage between performance and reward; that is, the strength of one's belief that certain kind and level of performance will lead to a particular reward. *Valence* refers to the attractiveness or utility of the reward to the individual.

The Expectancy theory states that individuals will evaluate various strategies of behavior and then choose a particular strategy that they believe will lead to those work related rewards that they value. It argues that a person will be motivated to perform, if he believes that his effort will result in the desired performance, which will get him a reward that is important to him. If the individual workers believe that working hard each day will lead to a pay increase, expectancy theory would predict that this will be the behavior he will choose. If the employees feel that the rewards are not so attractive to fulfil their goals, they may not put much effort in their work. For example, an employee works hard in the hope of getting a promotion but gets a pay rise instead which he is not interested in will make him de-motivated. It is desirable to assess what attracts employees in their work. The key to expectancy theory is thus the understanding of an individual's goals and the linkage between effort and performance, between performance and rewards and finally, between rewards and individual goal satisfaction.

### Porter and Lawler Model

Porter and Lawler proposed a comprehensive model of motivation encompassing the moderating effects of abilities and traits and role perception and accelerating roles of perceived equitable rewards and perceived effort-reward probability. This model highlights two important factors which facilitate or influence to put more effort in work. They are the valence and perceived Effort-Reward probability. Porter and Lawler's model is of great significance to managers since it sensitizes them to focus attention on the following to keep their employees motivated.

- Assigning right type of jobs to right types of person, ensuring perfect match between person and job.
- Providing clear job descriptions and highlighting what a person is expected of a person in his work.



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## MODULE – 5

Management of Tourism  
Business



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Tourism Management

- Assigning the proper performance levels such as quantity, waste control, number of customer attended etc.
- Ensuring that the rewards given to their employees are very attractive.

If high levels of motivation are to be induced, managers should ensure that the employees perceive a direct link between performance and desired rewards. If significant changes in performance levels are desired, the rewards given must also be significant and valued enough by the employees to change their effort levels. The Porter and Lawler model is useful in understanding the dynamics of motivation at the work place.



### INTEXT QUESTIONS 15.3

1. What motivates a worker to work?
2. List the main theories of Motivation
3. Outline the major assumptions of Theory Y?
4. How does McClelland classify needs?
5. What is the modification proposed by Clayton Alderfer to Maslow's need hierarchy.

## 15.4 LEADERSHIP THEORIES AND STYLES

### 15.4.1 Concept of Leadership

In giving the input on leadership styles and theories to you, we presume your main aim is to understand and improve your style of functioning as a leader in tourism operations. To start with, you must have a clear idea as to what is meant by leadership. Leadership is defined as the process of influencing others to get the job done more effectively over a sustained period of time. Leadership involves influence and it is concerned with the way the leader affects his or her followers. Understanding of leadership is always in the context of the level of the followers and their relationship with the leaders. It is a function of the leader, the followers and the situation. Both leaders and followers are involved together in the leadership process. The leaders take initiatives and link themselves with stakeholders. Hence, leadership is a process as well as a trait. Scholars who deal with leadership from the perspective of traits argue that certain individuals have certain special, unique, innate, inborn qualities that make them true leaders. These qualities differentiate them from other ordinary persons or individuals. Leadership defined by process suggests that leadership is a phenomenon that exists in context and makes leadership available to everyone and it is to be



learned. It is a process of influencing the behaviour of the people to voluntarily act for attainment of organisational objectives. It deals with maintaining of personal relations with followers and motivates them to contribute towards the achievement of the organisational objectives.

Leaders are highly motivated persons who strive for higher objectives of their followers and set high standards of performance for themselves. They are very eager, energetic and challenged by the unsolved problems surrounding them and they eagerly assemble their resources to overcome all the barriers that block the achievement of their goals. Most successful leaders perform tasks and act in such a way that provides their followers with satisfaction and fulfilment, performing the work required and reaching the goal. For leadership, power is a key element and central concept which has got its capability to influence others. Some handle powers because they are being positioned whereas others influence their group members because of the personal traits and characteristics.

There are many tourism organisations in our mind, when we talk of leadership. In every situation where you are trying to influence the behaviour of another individual or group, leadership is operating. For example, marketing managers in tourism sector influence their sales personnel to influence to meet the targeted sales volume. Thus each one of us tries leadership at one point of time or the other, whether our activities are centered around a business, educational institution, political organisation, tourism organisation or a family. As part of this process, one who attempts to influence the behaviour of others becomes a potential leader and the persons he is, attempting to influence are the potential followers. This may happen irrespective of the fact that the leader may be their boss or a colleague or a subordinate or a friend or a relative. In other words through a style of functioning the leader influences attitudes and expectations, which in turn encourage or discourage the follower's activity or achievement, enhance or diminish the follower's commitment to Work, etc.

In our day-to-day life, we come across instances of how people are influenced by the activities or words of a person who is trying to lead them. In our mind, we make a difference between a good leader and a bad one, by judging his style or way of functioning and his influence on others. Hence, in understanding the phenomenon of leadership, we must first understand the various styles of the leaders and theories through which leadership has been studied.

### **Theories of Leadership**

There are three categories of leadership theories which highlight the key determinants of leadership effectiveness: Trait Theories, Behavioural Theories and Situational Theories.

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**Notes****Trait Theories**

Trait theories highlight that there exists a finite set of individual traits or characteristics that distinguish successful from unsuccessful leaders. One of the main Trait Theories developed by Kelly (1974) relies on the research that relates to various traits that lead to the success of a leader. Some of the significant characteristics of leaders are categorized as follows:

- Physical Characteristics – age, appearance, height, weight
- Background Characteristics – education, social status, mobility, experience
- Intelligence – ability, judgment, knowledge, decisiveness, fluency of speech
- Personality – aggressiveness, alertness, dominance, enthusiasm, independence, creativity, integrity, self-confidence
- Task-related Characteristics – achievement drive, drive for responsibility, initiative, persistence, enterprise, task orientation
- Social Characteristics – administrative ability, attractiveness, cooperativeness, popularity, prestige, sociability, interpersonal skill, tact and diplomacy.

The list of important leadership traits is endless and grows with each passing year. It has not yet been shown that a finite set of traits can distinguish successful from unsuccessful leaders. For example, successful hoteliers are usually inquisitive, independent, perspective, and experts within their field. Successful sales managers are usually high-need achievers, enthusiastic and project a professional stature. What may be important traits for one occupation may not be important for other roles in the same organization. Uniformity of traits across all levels is thus questioned. Therefore, you need to be cautious in stating; personality or any other characteristic as a cause of successful leadership. You must ask the questions: Who is a successful leader? Is he far superior physically? Is he far brighter? Is he more mature as a person? Is he more motivated to achieve his goal? Does he have more consideration for his followers? Some of the traits may describe a successful leader but predicting successful leaders on the basis of traits alone is not a correct approach. You may observe one or all the above traits as important in a successful leader whereas your friend may feel that an enthusiastic, aggressive and authoritarian person is a, good leader. Further trait identifies who the leader is, not the behavioural patterns they will exhibit in attempting to influence subordinate actions. To be more objective, traits of the person as well as demand of the situation together determine the effectiveness of the leader.

**Behavioural Theories**

These theories identified behaviours that differentiated effective leaders' from ineffective leaders. Based on these people could be trained to be leaders.

Behavioural theories highlight that the most important aspect of leadership is not the traits of the leader, but what the leader does in various situations. Unlike trait theories, the behavioural approach focused on leader effectiveness, not the emergence of an individual as a leader.

Two major research studies directed toward investigating the behavioural approaches to leadership are i) *Ohio State University Studies*, and ii) *University of Michigan Studies*. These studies have been elaborated below. Their findings indicated that a mixture of initiating-structure and consideration leader behavior, which have achieved the highest effectiveness, depends largely on situational factors.

According to *Managerial Grid theory*, the five basic approaches to leadership identified by Black and Mouton are based on the two dimensions of concern of people and concern for production that are associated with leaders. A managerial grid is formed based on these two dimensions which are rated on a 9 point scale. According to this theory leaders are most effective when they achieve a high and balanced concern for people and for tasks. Each leader can be rated somewhere along each of the axes from 1 to 9 depending on his orientation. If manager is securing the lowest score on these two dimensions I,I is identified as impoverished style of managers who are low on both their concern of people and production, 1,9 or country club style is designated to those managers who are having high concern for people but low concern for production. The 5, 5 or the middle-of-the road style concerns the moderate levels of concern for both people and production. The 9,1 or task management style is one where there is a high concern for production but very little concern for people and finally, 9,9 or team management style is one where the manager has high concern for both people and production. According to Black and Mouton the one best style for all mangers is the 9, 9 or team management style.

### Situational Theories

Situational approaches to leadership take the position that there is no one best way to lead in all the situations. Effective leadership style will vary from situations to situation, depending on several situational factors such as the characteristics of the leaders and the followers, the nature of task being done, the structure of the group and other situational factors.

Among various theories of leadership which outline the importance of situational factors, *Fiedler's contingency model* (1967) is the most prominent one. Fiedler developed a model to predict group work effectiveness by taking into consideration the best fit between the leadership style and the degree of favourableness of the situation. He states that a leader may become effective if the situation is favourable in three ways: good leader-member relations showing acceptance of



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the leader by the group; details of the task spelled out to the leader's position; and a great deal of authority and power is formally attributed to the leader's position. With these three favourable situations and his style of functioning, a leader will be effective. The major findings of Fielder are that the task-oriented leaders perform better than relationship oriented leaders in both extreme situations that are very favourable and those that are unfavourable. Relationship oriented leaders tend to perform better than task oriented leaders in situations that are intermediate in favourableness. These findings suggest that each of the leadership style can be effective in certain situation and that the organization can change the effectiveness of the group's performance by changing the favourableness of the situations or by changing the leader's preferred style through education and training.

**Path-Goal Theory** propounded by House and Evan states that the leader smoothes out the path towards goals and provides rewards for achieving them. The principle function of the leader here is facilitating to increase valence perception of their subordinates and clarify and increase expectancy probabilities of them. This will in turn make them to put greater amount of effort and derive higher level of satisfaction and performance in their work. As a leader, you should understand the needs of the people and their desire to work or behave in a way that accomplishes goals that satisfy those needs. If you know the need of the person and his desire to work and he is able to accomplish the work, you can reward him to make him feel satisfied. In essence, you are clarifying the path to personal rewards that result from attaining the work goals, making the member clear about what the job requires and offering the reward to the member of the group who actually accomplishes the task. Your reward may be praise or increase in the pay or promotion of the member to a higher position.

**Social Learning Theory** developed by Bandura (1977) states that there is a continuous reciprocal interaction between person, environment and behaviour. Person and environment function in conjunction with the behavior itself and reciprocally interact to determine behavior. A person, through his actions, produces the environmental conditions that affect his behavior in a reciprocal fashion. The experience generated by behavior also partly determines what a person becomes and can do and in turn affects his subsequent behavior. The leader and the subordinates jointly attempt to discover ways in which they can manage their individual behaviour to produce mutually satisfying and organizationally productive outcomes. In this approach, the leader and the subordinates have a negotiable and interactive relationship. They are continuously aware of how they can modify or influence each other's behaviour by giving the rewards or holding back the performance respectively.

**Tannenbaum and Schmidt** reported that the use of authority by the manager (boss centered leadership) or the area of freedom given to subordinates

(subordinate centered leadership) is a function of forces in the managers (value system, confidence in subordinates, leadership predispositions and feelings of security and insecurity), forces in the subordinates (their needs for independence or dependence, readiness to assume responsibility, tolerance for ambiguity, abilities, knowledge and experience and inclination to participate in decision making) and forces in the situation (type of organization, group effectiveness, time pressures and the nature of the problem itself)

**Hersey and Blanchard model** reported that if the employees are highly matured psychologically and possess job competency, the enforcing delegating style will be more effective. Similarly if the employees are not adequately possessing job competency and are very low in psychological maturity, the enforcing directing style will be more effective.

### 15.4.2 Leadership Styles

The word style is the typical way in which the leader influences followers. Successful leaders are distinguished from unsuccessful leaders by their particular style of leadership. Leadership style is too complex to be viewed as uni-dimensional. Further, a universally accepted best style was inappropriate to the complexities of modern organizations. Managers often use more than one style depending on the issues involved and the circumstances surrounding it. Various studies reflecting different styles of functioning of a leader highlight how the leader simultaneously pays attention to the task to be accomplished by the group and needs and expectations of the group and its individual members. Exactly how the leader goes about attending to these two functions is a matter of his leadership style. Many theories have been suggested by the researchers regarding which leadership style is most effective. Let us have a look at the various studies that will help us to understand the leadership styles.

### Hawthorne Studies

Hawthorne Studies, conducted at GE at Illinois, USA, revealed that less light, shorter and fewer rest periods and shorter lunch breaks resulted in increased productivity. Once all these changes were eliminated and the normal working conditions were resumed, it was seen that the workers' productivity and the feeling of being together went up. The increase in productivity was attributed to the attitude of workers towards each other and their feeling of togetherness. Further the attention paid to the workers by the leaders made them feel important which resulted in improvement in their work performance. These findings conclude that a leader has to consider the human element and workers' social needs of being together and being recognized for the work, interaction of the group members with each other and their well-being. A good leader needs to



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keep the above aspects in his style of working with people and supervising their work.

### Iowa Studies

The studies, under the direction of Lewin, on several groups tried to see how different styles of leadership could change the satisfaction, frustration-aggression levels of the individuals. They threw light on how different styles of leadership can produce different complex reactions from the same or similar groups. The following three styles of leadership were identified by these studies:

1. **Autocratic Style:** A leader who tended to centralize authority, dictate work methods, make unilateral decision and limit employee participation
2. **Democratic Style:** A leader who tended to involve employees in decision making, to delegate authority, to encourage participation in deciding work methods and goals, and to use feedback as an opportunity for coaching employees
3. **Laissez-faire style:** A leader who generally gave the group complete freedom to make decision and complete the work in whatever way it saw fit.

### Michigan Studies

At University of Michigan Rensis Likert found that leaders generally follow four different styles:

1. **Exploitative Authoritative:** The manager believes in very authoritarian manner and practically exploits the subordinates
2. **Benevolent Authoritative:** Behaving as benevolent autocratic, the leader maintains strict control over the subordinates though in a paternalistic manner.
3. **Consultative:** The leader consults the subordinates but still maintains the right to make the final decision.
4. **Participative:** The manager uses a democratic style and makes decision by consensus and majority vote. Likert feels that the best way for all organizations to manage employees is to move towards participative system.

Michigan Studies developed two distinct styles of leadership:

1. **Job-centered leadership style**, which focused on the use of close supervision, legitimate and coercive power, meeting schedules and evaluating work performance.
2. **Employee-centered style**, which is people oriented and emphasis delegation of responsibility and a concern for employee welfare, needs, advancement and personal growth.



Job orientation is the emphasis the leader place on getting the job done by such actions as assigning and organizing the work, making decision, and evaluating performance. He looks at subordinates or employees as tools to accomplish the goals of the organisation. Work, working condition and work methods are tried to be understood better in his style of the leadership orientation. Employee orientation is the openness and friendless exhibited by the leader and his concern for the needs of subordinates. Research results revealed that employee-oriented leaders were associated with high group productivity and higher job satisfaction. Leaders who exhibited high level of consideration and high level of task orientation achieved high subordinate performance and satisfaction.



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### Ohio State Studies

Stogdill along with his colleagues at Ohio State University studied leader behaviour in numerous types of groups and situations. Their findings indicated that a mixture of initiating-structure and consideration leader behavior, which have achieved the highest effectiveness, depends largely on situational factors. Ohio State Studies identified two independent leadership dimensions:

1. **Initiating Structure** concerns the degree to which the leader organized and defined the task, assigned the work to be done, established communication networks and evaluated work-group performance. It reflects the extent to which individuals are likely to define and structure their roles and those of their subordinates towards goal attainment. It is the behaviour of the leader which deals with the relationship between him and the work-group and tries to establish well-defined patterns of organization, channels of communication and method of procedure.
2. **Consideration** involves friendship, mutual trust, respect, concern for the welfare of the employee and warmth in the relationship between the leader and his group members. It refers to an emphasis on an employee orientation leadership style. It reflects the extent to which individuals are likely to have job relationship characterized by mutual respect for subordinates, ideas and consideration of subordinates, feelings.



### ACTIVITY 15.3

Read the following statements /examples and mark for yourself, the ones that are applicable to you as a leader of the group.

- |  | Mostly | Sometimes | Never |
|--|--------|-----------|-------|
| 1 Asking the members to set the pace of their work | ( )    | ( )       | ( )   |



## MODULE – 5

Management of Tourism  
Business



Notes

### Tourism Management

- |   |     |     |     |
|---|-----|-----|-----|
| 2 Settling conflicts of the group                     | ( ) | ( ) | ( ) |
| 3 Tolerating delay and uncertainty at work            | ( ) | ( ) | ( ) |
| 4 Talking to the group in the presence of Outsiders   | ( ) | ( ) | ( ) |
| 5 Working hard for promotion                          | ( ) | ( ) | ( ) |
| 6 Assigning members with specific tasks               | ( ) | ( ) | ( ) |
| 7 Deciding how a thing should be done                 | ( ) | ( ) | ( ) |
| 8 Allowing members to work the way they think is best | ( ) | ( ) | ( ) |
| 9 Urging work group to compete with others            | ( ) | ( ) | ( ) |
| 10 Refusing to explain the action taken by you        | ( ) | ( ) | ( ) |



### ACTIVITY 15.4

Interview people in tourism field asking them to describe situations where someone's attempt to influence them was successful or unsuccessful.



### INTEXT QUESTIONS 15.4

1. What are the common characteristics of leadership?
2. Enlist the main qualities of a successful leader in an organization.
3. Name main leadership theories.
4. Why should a tourism professional study leadership styles?

## 15.5 INDIVIDUAL AND GROUP BEHAVIOUR

### Introduction

Organization is practically an association of group of individuals, who work together to achieve a common goal. The organisation maximises efforts and contributions of individuals who join it to earn their living and satisfy the basic needs of their life. Since human behaviour decides these efforts and contributions, therefore, it is essential for the organizations to understand the behaviour of these individuals. Behaviour reflects the actions of a person in various work situations. Behaviour is what a person does. It is the observable and measurable

activity of human beings. The human behaviour can be understood easily if causes behind the behaviour are analyzed and can be controlled by manipulating these causes. A person's behaviour is caused by several internal and external factors. He gets affected by others' behaviour and in turn his behaviour also affects others. All this suggests that human beings are not self contained entities but are affected by large systems – groups, individuals, family and society as a whole.

### 15.5.1 Individual Behavior

As human behavior is complex and every individual is different from another, the challenge of an effective organization is in successfully matching the task, the manager and the subordinate. Under ideal situation, a manager would first analyze the task, then determine the required skills and assemble a team that complement each other's skills; thereby creating an enriching and conflict free team. In reality, a manager has to use the existing resources for a given task, and must have the ability to understand the differences in individual behaviours and use them appropriately to increase the synergy.

Most of the research emphasizes the importance of individual behavior and how managers should use this knowledge for better task- to-employee matching, what they ignore is the importance of organization as a system. In the organizational social system, the relationship between manager and the employees is not unidirectional but bidirectional. While the manager tries to assess the behavior of the subordinate, the subordinate also makes a continuous effort to evaluate the manager's perspective and adapt to it. If this bi-directional process is successful, it would create a behavioural congruence between manager and subordinate and would be a positive outcome. Otherwise it would lead to dissatisfaction and frustration for both of them and would eventually lead to end of their relationship. The subordinate will have a perception of his own job and non-work responsibilities and an expectation of how his manager would perceive the same. He will also have a selective and biased perception of his manager's job and that would in turn influence his expectations and behavior.

### Factors Influencing Individual Behavior

1. **Abilities:** An individual's self awareness of his own mental and physical abilities determines how he feels about the task, while the manager's perception of his abilities determines the kind of task he assigns to the individual.
2. **Gender:** Although, research concludes that men and women are equal in their mental abilities and job performance, society does emphasize differences. There is also a difference in self perception of one's abilities, personal values and social behavior.



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3. **Race:** Stereotyping and attributing behavior based on race and culture are common mistakes that influence individual behavior. It is important for both management and the staff of diverse workforce to learn about different cultures, their values, common artefacts and communication protocols. This would subdue behaviours that might be perceived as insensitive and offensive.
4. **Perception:** Most real life problems are multidimensional and the rational approach is often entwined with the gut feeling, resulting in individual perception. Both managers and subordinates must recognize that perceptual differences exist and often are the reason for mutual dissatisfaction.
5. **Stereotyping:** Age, race and sex are the three most common basis of stereotyping; not only they are unethical but can cost missing resources. In general, stereotyping leads to decisions that are based on inaccurate data that can result in unfair performance evaluations, job design or promotion.
6. **Selective Perception:** It is the process of selecting only the information that supports our pre-existing belief system, thereby eliminating the discomfoting information. Selective perception acts like a catalyst to stereotyping because people tend to notice things that fit their existing notion and not notice things that don't.
7. **Attribution:** Attribution is the process of observing behavior and then determining its cause based on individual's personality or situation. Attribution based on personality traits like shyness, arrogance, intelligence, etc is due to internal causes and is termed as dispositional attribution. Attribution based on external influences and situations that are outside the control of individual are termed as situational attribution.
8. **Attitude:** An attitude is the abstract learnt response of an individual's entire cognitive process over a period of time. It is experienced as a quick response to a familiar situation without any deep reasoning; it forms the basis of biases and attribution errors.
9. **Personality:** Personality is the relatively stable set of psychological attributes that distinguishes one individual from another. The 'integrated individual behavior model is a framework to understand the process by which the personality develops over a period of time.

**15.5.2 Group Behavior**

Group is a collection of two or more individuals who are interdependent and interact with one another for the purpose of performing to attain common goals or objective. The principal characteristics presented in this definition – goals, interaction and performance are crucial to the study of behavior in organizations. In order to satisfy certain needs relating to social interactions, employees may

informally (or formally) join together to form various social, civic, or recreational groups within organizations. For a manager in an organization, the behavior and performance of group provide the primary mechanism for the attainment of organization goals. Whether it is a travel agency, a hotel or a museum, an understanding of the nature of groups, group behaviour and interaction within the group is essential to improve organisational performance. For this the manager must be familiar with:

- The process of influencing group behavior
- The climate for maximum interaction and minimal conflict between group members.
- The means for the satisfaction of individual needs, which may be different from individual to individual within each group.

Groups can be either formal or informal. *Formal groups* are those defined by the organization's structure, with designated work assignments establishing tasks. Their primary purpose is facilitating, through member interactions, the attainment of the goals of the organization. An airline flight crew is an example of a formal group. *Informal groups* are alliances that are neither formally structured nor organizationally determined. These groups emerge or randomly get formed due to the formal group members' interaction with each other. Three employees from different departments who regularly eat lunch together is an informal group. *Informal groups* satisfy their members' social needs. The types of interactions among individuals, even though informal, deeply affect their behavior and performance.

It is also possible to sub-classify groups as command, task, interest, or friendship groups. *Command groups* are dictated by the formal organization. When a number of employees are formally brought together for the purpose of accomplishing a specific task – for a short-term or long term period – such a collection of individuals is called a *task or project group*. These activities create a situation that encourages the members of the task force to communicate, interact and to coordinate activities, if the purpose of the group is to be accomplished. In an *interest group* people affiliate to attain a specific objective with which each is concerned. *Friendship groups* often develop because the individual members have one or more common characteristics such as age, political belief, or interests.

The most popular reasons for joining a group are related to our needs for security, identity, affiliation, power and engaging in common tasks. Inclusion in a group that is viewed as important by others provides recognition and status to its members.



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1. **Self-esteem:** Groups can provide people with feelings of self-worth. In addition to conveying status to those outside the group, membership can also give increased feelings of worth to the group members themselves. The self-esteem is bolstered when members are accepted by a highly valued group.
2. **Affiliation:** People enjoy the regular interaction that comes with group membership. For many people, these on-the-job interactions at work are the primary source for fulfilling their needs for affiliation.
3. **Power:** For individuals who desire to influence others, groups can offer power without a formal position of authority in the organization. As a group leader may be able to obtain compliance without any responsibilities.
4. **Goal Achievement:** There are times when it takes more than one person to accomplish a particular task- there is a need to pool talents, knowledge in order to complete a job. In such instances, management will rely on the use of a formal group.

### 15.5.3 Stages of Group Development

1. **Forming:** Characterized by a great deal of uncertainty about the group's purpose, structure, and leadership members are trying to determine what types of behavior are acceptable. Stage is complete when members have begun to think of themselves as part of a group.
2. **Storming:** Here members accept the existence of the group, but there is resistance to constraints on individuality. There is conflict over who will control the group. When the storming is complete, there will be a relatively clear hierarchy of leadership within the group.
3. **Norming:** At this stage close relationships develop and the group demonstrates cohesiveness. There is a strong sense of group identity. This stage is complete when the group structure solidifies and the group has assimilated a common set of expectations of what defines correct member behavior.
4. **Performing:** The group at this point is fully functional and accepted. Group energy moves from getting to know to performing. For permanent work groups, performing is the last stage in their development.
5. **Adjourning:** For temporary committees, teams, task forces, and similar groups that have a limited task to perform, there is an adjourning stage. At this stage, the group prepares for its adjournment. Attention is directed toward wrapping up activities.



### INTEXT QUESTIONS 15.5

1. John is a senior manager in his company. He has been approached by his company to resolve a conflict situation among two line managers. What form of John's behaviour is more likely to resolve the conflict?
  - A. Assertive
  - B. Aggressive
  - C. Passive
2. What are different types of groups?
3. Which factors affect the Individual Behaviour?
4. List main reasons for joining groups.
5. Name five stages of group development.



### WHAT YOU HAVE LEARNT

- Management is the process of getting things done through others. Main functions performed by a tourism manager include planning, organising, directing, coordinating, motivating and controlling of human and other resources.
- While the planning function involves the process of defining goals, establishing strategy and integrating and coordinating activities, controlling process involves examining and evaluating the work of subordinates and ensuring that all the activities of an organisation are being carried out as originally planned.
- A manager performs interpersonal roles (figure head role, personnel leader Role, liaison role); informational roles (monitor, disseminator, spokesman) and decisional roles (entrepreneur, disturbance handler, resources allocator, negotiator) and to be effective exercise various conceptual, technical and interpersonal skills. These skills are inter-related and vary with the level of managerial responsibility.
- A manager provides meaningful direction to the organisation, maintains a firm's efficiency, meets the challenges of competition, creates a team spirit, manages innovations, protects the interests of employees, helps in retaining talent and upgrading skills and maintains proper relations with various segments of society.
- Various monetary and non-monetary incentives motivate the workers. Monetary incentives have a direct bearing on the employees and help them



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to satisfy their basic needs. Non-monetary incentives work for boosting their morale towards their work. Maslow's Hierarchy of Needs, Herzberg Two-Factor Theory, McGregor's Theory X and Theory Y, Alderfer's ERG Theory, McClelland's Theory, Equity Theory, Vroom's Expectancy Theory and Porter and Lawler Model have identified various motives of workers and suggested ways to motivate workers by fulfilling these motives.

- Leadership involves influence. It occurs in a group context and involves goal attainment. A leader to be successful in an organisation needs to possess qualities such as integrity, honesty, humility, courage, commitment, sincerity, passion, confidence, positivity, wisdom, determination and compassion.
- Various theories of leadership have identified various styles of and approaches to leadership. Prominent among them are Trait theory, Group and Exchange theory, Social Learning theory, Managerial Grid theory, Contingency Theory, Path-Goal Theory, Theory X and Y and Scientific Management Theory.
- To maximise efforts and contributions of individuals it is essential for the organizations to understand the behaviour of these individuals. The human behaviour can be understood easily if causes behind the behaviour are analyzed and can be controlled by manipulating these causes. Factors which affect individual behavior include abilities, gender, race, perception, stereotyping, selective perception, attribution, attitude and personality.
- In the organizational social system the manager tries to assess the behavior of the subordinate and the subordinate also makes a continuous effort to evaluate the manager's perspective and adapt to it. Otherwise the situation would lead to dissatisfaction and frustration for both of them.
- In the organisations the groups that are formed are either formal or informal. Groups are also sub-classified as command, task, interest, or friendship groups. The individual workers join groups for their need for security, identity, affiliation, power and engaging in common tasks. Group are developed in the organisation following forming, storming, norming, performing and adjourning stages.



### TERMINAL EXERCISE

1. Describe major managerial functions with suitable examples.
2. Explain various managerial roles and their relevance in tourism organisations
3. Discuss the types of managerial skills and their importance for enhancing individual and organizational effectiveness.
4. Compare and contrast Maslow's Need Hierarchy with Herzberg's two factor theory of motivation

5. Explain the major contributions of McGregor in motivating employees? Outline the major assumptions of Theory Y and its implications for managers.
6. To what extent are various theories of leadership likely to influence your leadership styles?
7. Explain five stage life cycle model and its implication in developing groups.
8. Describe the trait theories and behavioural theories of leadership with suitable examples from tourism operations
9. Outline Fiedler's contingency model of leadership and its relevance in today business environment.
10. Trace the different types of leadership styles and their significance to tourism operations.
11. Critically review the types of groups and their application in organization.
12. What are reasons for joining groups?



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## ANSWER TO INTEXT QUESTIONS

### 15.1

1. Management is getting things done by others. To manage is to forecast and plan, to organise, to command, to co-ordinate and control.
2. Core management functions performed by a tourism manager consisting of planning, organising, directing, staffing, coordinating, motivating and controlling human and physical resources.
3. The planning function involves the process of defining goals, establishing strategy for achieving those goals and integrating and coordinating activities.
4. Controlling is a process of examining and evaluating the work of subordinates and ensuring that all the activities of an organisation are being carried out as originally planned. It involves correcting activities of subordinates to ensure that events conform to plans. It measures performance against goals and plans, identifies whether deviations exist and by putting in motion actions to correct deviation helps ensure accomplishment of plans.

### 15.2

1. Roles a typical manager performs are grouped into : Interpersonal Roles (figure head role , personnel leader Role , liaison role); Informational Roles (monitor, disseminator, spokesman); Decisional Roles (entrepreneur, disturbance handler, resources allocator, negotiator)

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2. Skills required by managers to perform their duties are grouped as technical skills, human relations skills and conceptual skills. These types of skills are inter-related and their relative importance varies with the level of managerial responsibility.
3. Main tasks performed by a professional manager include providing purposeful direction to the organisation, maintaining firm's efficiency for profit generation, meeting the challenges of increasing competition, creating a team spirit and teamwork, managing for innovation, protecting the interests and welfare of employees, retaining talent, upgrading skills, keeping oneself informed and maintaining cordial relations with various segments of society.

### 15.3

1. Employees are motivated to work by various monetary and non-monetary incentives. Monetary incentives include wage or salary, bonus, overtime, monetary rewards etc. have a direct bearing on the employees as these help them to satisfy their basic needs. Non-monetary incentives include an urge for respect, ego, gratification, promotion, rewards, honour, leave, delegation of authority, etc. work equally well for boosting their morale towards their work.
2. Main theories of motivation include Maslow's Hierarchy of Needs, Herzberg Two-Factor Theory, McGregor's Theory X and Theory Y, Alderfer's ERG Theory, McClelland's Theory, Equity Theory, Vroom's Expectancy Theory and Porter and Lawler Model
3. Theory Y is based on the assumption that the expenditure of physical and mental effort is natural, people exercise self-direction and self-control, commitment to objectives is a function of rewards associated with their achievement, average human beings learn, under proper condition, capacity to exercise imagination, ingenuity, and creativity is widely distributed in the population and the intellectual potentialities of the average human being are only partially utilized.
4. McClelland's Theory of motivation proposed three types of needs common in work life: Need for Achievement, Need for Power and Need for Affiliation. Udai Pareek, added the need for extension to the list
5. Clayton Alderfer proposed a modified version of Maslow's need hierarchy and re-classified human needs into existence or survival needs, relatedness or social needs, and personal growth needs

### 15.4

1. Leadership is a process; involves influence; occurs in a group context; involves goal attainment; is different from management.
2. Qualities such as integrity, honesty, humility, courage, commitment, sincerity, passion, confidence, positivity, wisdom, determination and compassion make a leader successful in an organisation.
3. Various theories of leadership such as Trait theory, Group and Exchange theory, Social Learning theory, Managerial Grid theory, Contingency Theory and Path-Goal Theory, Human Relations Approach, Theory X and Y, Scientific Management Theory etc provide for various leadership styles and approaches.
4. Whatever be your professional level, in tourism services you have to provide leadership. As such you must be aware of various leadership styles so as to use them as per the situational requirements.

### 15.5

1. A - Assertive behaviour is more likely to resolve a conflict situation than aggressive or passive
2. Groups are either formal or informal. Groups are sub-classified as command, task, interest, or friendship groups.
3. Main factors influencing individual behavior include abilities, gender, race, perception, stereo-typing, selective perception, attribution, attitude and personality.
4. The main reasons for joining a group are related to individuals needs for security, identity, affiliation, power and engaging in common tasks.
5. Five stages of group development as per Product Life Cycle Model are forming, storming, norming, performing and adjourning.



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