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Leibniz-Informationszentrum Wirtschaft Leibniz Information Centre for Economics

# The Motivational Aspects of Leadership Development: A literature review

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#### Abstract

Motivation refers to the force that energizes, direct, and sustains a person's efforts. With adequate ability and understanding of the job, such a person will be highly productive. This article discusses the leadership role in motivating employees, designing motivating jobs, achieving fairness among the workers, and job satisfaction. The results show that a highly motivated person will work hard toward achieving the performance goals.

#### Key words

Leadership, skills, competence

JEL Codes: G32

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#### 1. Introduction and literature review

The problem of leadership, leader and leadership style has provoked a considerable number of theoretical and experimental researches, being one of the central themes of the psych sociology of social groups (Vielmetter and Sell, 2004). However, against the background of these extremely varied researches, the lack of a rigorous methodological conception, sufficiently consistent in its general aspects, which allows the integration of the research results into an efficient and unitary theoretical vision from an operational point of view is observed. Being in front of a considerable volume of experimental data, obtained under very different conceptual and methodological conditions, the problem of leadership has a fragmentary character, being necessary a careful selection of the results that have sufficient practical relevance (Bakotic and Krnic, 2017).

The hierarchical structures of the organization, its type, the way of exercising the authority by the higher hierarchical levels, the nature of the mechanisms of "delegation of power" will greatly influence the actual behaviour of the leader in the management situation (Kouzes, 2003). Therefore, we appreciate that the leadership style adopted by the leader will synthetically represent both the particularities of the leader and those of the group structure as such (its syntax), as well as the external determinations.

Fodor considers that the essential element of leadership is "the central person" and "the individual around which one group crystallizes, and with whom the other members identify" (Fodor, 2009). In many cases the person identifies with the leader of the group, although not necessarily. However, the author mentions that most of the times we deal with much more complex situations, consisting either of the existence of a "core of influence and control", or the existence of two complementary leaders (the "technical specialist of the task" and the specialist in socio-emotional problems"), in which several central persons exercise the leadership and control of group life and activity. In all cases regarding the formal groups, the phenomenon of the central influence structure is divided into two components: one predominantly informal, the other predominantly formal, which leads to the emergence of a situation of competition, conflict or complementarity between the two structures, respectively between the two leaders (Schein and Schein, 2010).

The contingency theories suppose that the leader's ability to lead is dependent on various situational factors, including the capabilities and behaviors of followers, the leader's preferred style and also various other situational factors. Contingency theories are a set of behavioral theory which assumes that there isn't one best way of leading and a leadership style which is effective in some situations may not be successful in others (Bakotic and Krnic, 2017).

Path-goal theory states that leader's motivational behavior should makes employee need satisfaction contingent on effective performance, and provides the coaching, guidance, support, and rewards necessary for effective performance (Fodor, 2009). Consequently, the leadership behaviour would be ineffective when it is disused to sources of environmental structure or different with subordinate characteristics.

On the other hand, leaders understand that people have different needs, to motivate employees, employees' needs should be met, and when these needs are not met, it will affect the employee's behaviour on the job (Jung *et al.,* 2016).

# 2. An Investigation of the Motivational Aspects of Leadership Development

Regardless of its economic performance, the activity of a company will be formed at the intersection of the factors: legislative, normative, social, financial, technological, political and global.

Each factor influences the entrepreneurial environment in a different way and can act both in the direction of decreasing and increasing its performance. The degree of adaptability and flexibility of the entrepreneur's personality have a hard word to say. Thus, an entrepreneur with solid knowledge in the field of human resources will show tact and diplomacy in the event of a staff crisis. In the same way, an entrepreneur who does not know about the legislation regulating his activity, even if he receives legal advice, will be unable to open and maintain a productive dialogue with the Romanian state or will find it difficult to obtain financing, either through financial companies, as well as through European institutions.

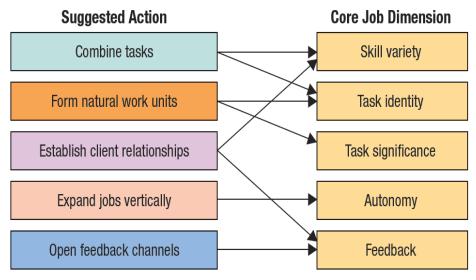
The main feature of these legislative-normative factors relates to their external character. These kinds of factors are generated mainly by the Romanian state, by its institutions, and by its accession to the European Union and by its regulations. It directly targets laws, acts, government ordinances, special provisions, or other draft laws directly related to the entrepreneurial environment.

Unlike other factors, the ratio of forces to this situation is uneven. Regardless of the status, the field of activity or the elements strictly related to the entrepreneur, on the mentioned factors, the commercial company has no decisional power to change them.

Every leader knows that jobs that are too simple and routine can results in employee absenteeism, dissatisfaction, and turnover (Pieper *et al.*, 2017). The only way to keep such employees is to let them design their own jobs so that their work is more interesting than it would be elsewhere. Three ways can be used to solve the problem and keep workers motivated: Enlargement, job rotation, and enrichment.

With job enlargement where employees have several jobs at the same time, while, with job rotation worker can move from one task into another. Finally, with job enrichment workers are more responsible by given him the authority to make decisions (Popa, 2012).

Efforts to redesign jobs by enriching them are now very common. Many theories were interested in job design, but the Hackman and Oldham model of job design is important because well-designed jobs lead to high quality performance, high motivation, high satisfaction, and low turnover and absenteeism (Hackman and Oldham, 1975). These outcomes arise when people experience three psychological states: (1) they believe that they are doing something meaningful because their work is important to people; (2) they learn how well they perform their job; (3) they feel personally responsible for how work turns out (Figure 1).



Source: Hackman and Oldham (1975)

Figure 1. Hackman and Oldham Model of Job Design

According to figure 1, the psychological factors occur when people are working on enriched job, that is, jobs that offer the following five core dimensions:

- 1. Skill variety: different job activities involving several skills and talent.
- 2. Task identity: the completion of a whole, identifiable piece of work.
- 3. Task significance: important positive impacts on the lives of others.
- 4. Autonomy: independence and discretion in making decisions.
- 5. Feedback: information about job performance.

The most effective job enrichment increases all five core dimensions. A person group need strength will help determine just how effective a job enrichment program might be. Group need strength is the degree to which individuals want personal and psychological development.

Pattnaik and Sahoo (2018) defined empowerment as the process of sharing power with employees, thereby enhancing their confidence in their ability to perform their jobs and their belief that they are influential contributors to the organization.

To promote empowerment, leaders must create an environment in which employees feel that they have influence over performance and effective in the areas of their responsibility (Schein and Schein, 2010). By empowering employees, leaders should expect some problems, at least in the short term because of the change and change takes time for employees to adopt to the new roles. People might make mistakes at first, because of lack of training and more training is needed, the cost are going to be higher because higher skills employees make great contribution to the organization and demand higher wages. But in the long run both employees and management will benefit from empowerment.

In other reference investigations, Fodor (2009) studied eight personality traits (intelligence, initiative, ability to supervise, self-confidence, affinity for workers, decided spirit, masculinity-femininity, maturity) and five motivational traits (need for security work, the need for money reward, the need for power over others, the need for self-actualization, the need for occupational fulfillment). Based on the research conducted, the cited author hierarchized the features mentioned in the following groups:

• very important characteristics, in order: the ability to supervise, the need for occupational fulfillment, intelligence, self-actualization, self-confidence;

• characteristics of moderate importance, in order: lack of need for security, affinity for workers, initiative, lack of need for money rewards, maturity;

• unimportant characteristics: masculinity - femininity.

Approaching from the perspective of the traits of the leader has the merit of allowing the logical deduction of the idea that successful entrepreneurs have real chances, through the prism of certain personality traits and physical characteristics, to be, after starting the company he started, successful leaders, capable practice effective leadership and strongly mobilize subordinates to achieve superior performance.

The behavior of effective leaders is part of the antonymic autocratic-democratic, directive-permissive and task-orientedpeople pairs. Although expressed differently, the three pairs mean, in essence, the dominant behavior of the leader: behavior focused on accomplishing tasks, production.

Understanding these two types of behavior, distinctly different, that essence is facilitated by the prior knowledge of the two categories of assumptions that leaders make regarding their subordinates, according to McGregor's conception known as Theory X-Theory Y (Pattnaik and Sahoo, 2018).

The set of assumptions subsumed by Theory X or the traditional vision of leadership is as follows: people are averse to work and avoid it as much as they can; as a result, people must be controlled and threatened with sanctions in order to be determined to contribute to the organization's goals; people want to be controlled and directed in their efforts, as this allows them to effectively avoid responsibilities. In the author's vision, which expresses the idea that people are lazy and must be forced to work, in the past it was the basis of managerial practice, determining the practice of authoritarian, paternalistic and mechanistic leadership, based on control and coercion.

In opposition to Theory X, Theory Y is based on the following assumptions:

• people consider work as an intrinsic, natural part of life;

- people do not need, in the process of working threats, sanctions and control;
- they act very well when they are rewarded for their performance;
- they seek to take on greater responsibilities when encouraged in this direction;

• most people have a significant creative potential which, under the conditions of the modern economy, is only partially exploited.

Given these realities, leaders must always selectively adapt to the concrete situations they are facing, based on careful analysis of subordinates, assessing the overall situation and their ability to choose the most appropriate leadership.

The first behavior, the one focused on the accomplishment of the tasks, is specific to the leaders concerned with the accomplishment in due time and at the corresponding qualitative level of the tasks, with the unfolding according to the plans and the programs of the activities, with the precise definition of the quantitative and qualitative performances that each subordinate must realize. Subordinates are renumbered in an incentive manner for each unit of qualitatively acceptable result. The leader must have the necessary competence to plan and organize the work of his subordinates so as to maximize their performance.

The second mentioned behavior, the person-oriented one, aims to create an effective work team by supporting subordinates in their efforts, the wide use of ways and means of harmonizing their needs with the organization's needs.

Motivation can be analysed also by employees' view of their contribution to the organization and what they receive for that contribution. To understand how people translate their contributions, many theories studied the issue of achieving fairness among employees. One of the most important theories is the equity theory (Dima *et al.*, 2011).

Equity theory suggests that people consider two key factors: outcome and input when measure how fairly they are treated, they. Input refers to the aids the person makes to the organization, such as effort, time, performance, talent, and commitment. Outcomes refer to the various things that person receives on the job such as recognition, pay, satisfaction, benefits, and security (Latham and Pinder, 2005).

It is common knowledge that, if employees treated fairly from the work he does, he will be satisfied (Rojon *et al.*, 2015). But it does not mean that satisfied worker more productive than unsatisfied one. Some people are very happy because they don't work hard, but our purpose of demonstrating the importance of job satisfaction to the firm because unsatisfied workers most likely to exhibit higher absenteeism, higher turnover, strikes, sabotage, stealing, poor customer service, vandalism, and lower productivity. Leaders can create job satisfaction by applying to methods: quality of work life and psychological contracts (Schein and Schein, 2010).

There are several determining factors in the emergence of a group leader, including physical characteristics such as height, weight, age and gender, intelligence, personality traits, task skills and participation. It seems that the manifestation of leadership depends largely on the perceptions of the members of the group. A lot of studies argue that those behaviors that build the leadership role generally fall into two categories: relationship behaviors and work behaviors (Pieper *et al.*, 2017; Kouzes, 2003).

Relationship behaviors are addressed to the attitudes, feelings and satisfaction of the members of the group; therefore it corresponds closely with the functions performed by the socio-emotional specialist. Even in groups that have tasks or problems to solve, leaders often have to meet the personal needs of members. Relationship leadership involves strengthening morale, increasing group cohesion, reducing interpersonal conflicts, establishing the leader/member relationship, and expressing concern and consideration for all group members.

Working behaviors, on the other hand, deal with the actual problem rather than the personal satisfaction of the group members. Leaders must lead the group in the direction of successfully achieving the proposed goal. Key aspects of working leadership can be defining group problems, establishing a communication network, providing evaluative feedback, planning, motivating action, coordinating member actions, and facilitating meeting goals by proposing solutions and removing obstacles.

Posner and Schimdt (1996) in "Values and the American Manager" introduced in their research questions whose answer referred to the respondents' opinion regarding senior managers, colleagues and subordinates. By filtering the list of fifteen attributes that they considered essential to the research, they discovered two elements considered individual values of the managers that are appreciated and valued: Integrity = Character + Trust and Competence = efficiency + productivity. Reported to subordinates, the most frequently found value in the responses was Determination = involvement + motivation,

and in terms of senior management, what was wanted was Leadership = Vision + Decision + Action Direction, and from colleagues wanted Cooperation = Team Spirit + Availability.

Therefore, it is recommended, to stimulate competition, to create an optimal climate for highlighting the best employees and to adopt an adequate system of motivating the employees, so that their results will be better and better. The transformational leader enhances the motivation, trust and satisfaction of the group members by uniting them and changing the values, opinions and needs of the group.

## 3. Result and discussions

Creating leaders is a constant concern for many companies, and they regularly carry out various actions that seek to identify those managers with true leadership qualities and to develop leadership practices.

Some contemporary motivation issues facing today's leaders include motivating a diversified workforce, pay for performance programs, motivating minimum wage employees, motivating professional and technical employees, and flexible work schedule options. We'll also look at what entrepreneurs do to motivate their employees.

Management needs to think in terms of flexibility to motivate a diversified workforce. For instance studies tell us that men place considerably more importance on autonomy in their jobs than do women. In contrast, the opportunity to learn, good interpersonal relations, and convenient work hours are more important to women than to men. Managers need to recognize that the motivation of a single mother with two dependent children, who are working full time to support her family, may be quite different from the needs of a young, single part time worker or the needs of the older employee who is working to supplement his or her pension income. Employees have different personal needs and goals that they're hoping to satisfy through their jobs. A diverse collection of rewards is needed to motivate employees with such mixed needs.

These leaders have never hesitated to give up their own power to "empower" others with the feeling of self-determination, self-confidence and belief in personal efficiency.

## 4. Conclusions

One of the main challenges addressed to the leadership of the 21st century is related to the fundamental change of the organizational landscape, in the sense of increasing the complexity of its dynamics and turbulence.

Successful leaders have proven to be the ones who spent much of their time building relationships based on mutual trust and respect. They felt that the surest way to succeed is to make others feel that they can control their own destiny, to believe in their ability to mobilize their resources and to carry out their tasks, persevering in their efforts of self-improvement and self-realization.

Approaching the leader's traits has the merit of giving the logical approach to the idea that successful entrepreneurs have unquestionable chances to be successful leaders either through certain personality traits and physical characteristics, or as a result of their ability to practice effective leadership strongly mobilize subordinates to achieve superior performance.

Finally, we can say that leaders transfer motivation into realistic use. There are many factors that play into keeping employees motivated. A common factor in motivation is the type of work that the employee is doing. We might think that if an employee has simple jobs that they would become more efficient at them over time. However, it is also important to look at the fact that doing a job that is the same day in and day out can become quite boring. When employees are given a job with different tasks and ability to grow, they tend to stay more motivated.

Unfortunately, many workers are unused and do not get challenged or the ability to show their creativity to its potential. leaders can motivate their work force by improving design of jobs, empowerment, assess fairness through the implementation of the equity theory and finally by implementing a quality of work life by providing safe and healthy environment and fair treatment of their workforce and designing a psychological contract that is used in exchange for the employees' contributions.

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