

NOTES: LIKERT'S MANAGEMENT THEORY

Rensis Likert, an American organizational psychologist, proposed a management theory based on leadership styles, employee participation, and organizational performance. His model is

LIKERT'S FOUR SYSTEMS OF MANAGEMENT

1 SYSTEM 1: EXPLOITATIVE-AUTHORITATIVE

- Leaders have **low trust** in employees
- Decisions are made **entirely at the top**
- Mostly **one-way** (communication **top-to-- down**)
- Motivation through fear, punishment, and threats
- Little Involvement from employees



Workplace example

A factory where supervisors dictate rules strictly, mistakes

2 SYSTEM 2: BENEVOLENT-AUTHORITATIVE

- Leaders are **authoritarian** but less harsh
- Some minor delegation, but power remains at the top
- Still top-down communication, but rewards may be used
- Employees obey because they feel **protected**, not empowered



Workplace example

A company where bosses possess certain

3 SYSTEM 3: CONSULTATIVE

- Managers trust employees more
- Two-way communication. Although avisions still made a
- Employees are consulted and can give suggestions
- Motivation by rewards, Involvement, recognition



Workplace example

Employees participate in discussions, share ideas

4 SYSTEM 4: PARTICIPATIVE (DEMOCRATIC)

- Highest level of trust between managers and employees
- Decision-making, shared, teamwork
- Communication flows freely in all directions
- Employees feel ownership and commitment



Workplace example

Teams collaborate to make decisions together

LIKERT'S CONCLUSION

System 4 (Participative) management produces the best results:

- Higher productivity
- Strong employee motivation
- Better communication
- Increased job satisfaction and commitment

Key Concepts

Introduced by Likert

Supportive Relationships

Group Decision-Making

Linking Pins