

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 be
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3 SYSTEM 3: CONSULTATIVE

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



Workplace example

Employees particpste in
discussions, share ideas

4 SYSTEM 4: PARTICIPATIVE (DEMOCRATIC)

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



Workplace example

Teams coillaborate male
decisions together

LIKERT'S CONCLUSION

System 4 (Participative) management)
produces the best results:

- Higher productivity
- Strong employee motivation
- Better communication
- Lower absenteeism and turnover

Key Concepts Introduced by Likert



Supportive Relationships



Group Decision-Making



Linking Pins