



УДК 336

**MARIDASHVILI Manana,**  
doctor Business Administration, Associate Professor Caucasus International University,  
Georgia

## THE INFLUENCE OF MOTIVATION ON GEORGIAN MANAGEMENT STYLES

*The relationship between management styles and their motivation, which drives them in accomplishing their organizational goals, is analyzed in this article. For this purpose, on the example of Georgian managers, it is determined which is the dominant leadership style (by using the Likert's system) and to which degree it is applied at a particular management level. In fact, motivation is the success or failure of leadership in each specific situation. Therefore, the basic task of leadership is to find and maintain a balance between the motivation and management style.*

**Key words:** Management Styles, Motivation, Leadership Organizational Effectiveness, Motivational Influence, Motivational Techniques, Workers Commitment, Strategic Planning, Company's Policy.

**Introduction.** Since 2011, the Georgian Government has formulated an industrial policy to foster the establishment and growth of small and medium business to salvage the economy from recession. Following the establishment of the industrial policy, a wide range of small scale industries sprang up in diverse parts of the country. This really resulted in the creation of more employment opportunities, goods and services, economic growth and improved standard of living. In such a situation management style is one of the critical antecedents to organizational effectiveness. Management style is simply construed as a way to manage an organization. It is the general approach of a manager in dealing with people at work and exercising of authority over subordinates in an effort to reach organizational goals. The effectiveness of any organization is largely determined by the manner of work co-ordination, level of workers commitment to the entity and the extent to which workers co-operate with one another, management and the community.

Subsequently, in accordance with Herzberg's two-factor theory, the motivational influence on particular management style, considering management level, is being analyzed from the aspect of extrinsic and intrinsic motivation. The term motivation is inherent in the definition of leading, leadership and leadership style. The purpose of our research is to identify the relationship between management styles and their motivation, the following two questions arise:

- Does motivation influence management style?
- If managers' motivation influences their leadership style, to what extent do the intrinsic the extrinsic motivation factors contribute to it?

**Management styles.** Effective management style is the extent to which a leader continually and progressively leads and directs followers to a predetermined destination agreed upon by the whole group. It is the manner of approach to issues of the managers towards achieving the goals of their organization by transforming various resources available to any organization into output through the functions of management (Field & Dubey, 2001). Khandwalla (1995b) considered management style as the distinctive way in which an organization makes decisions and discharges various functions of goal setting, formulation, implementation of strategy, corporate image building, dealing with key stakeholders and other basic management activities.

In order for management to be effective, it is necessary that the manager style is compatible with the motivational needs of the followers, otherwise the effectiveness will decrease. By definition, leadership is closely related to human resources, which are considered today the key factor of every company's success. Therefore, a company cannot be successful without skilful leadership, without initiation of follower's activity and without encouraging employees' high motivation and engagement. Experience has shown that leadership and motivation are in a mutual interaction – the most motivated followers have the most motivated leadership and vice versa. Therefore, the understanding of motivation is a powerful management's mean in achieving company's goals. Namely, understanding the behavior, fore sighting, directing, changing, and even controlling the behavior in organizations are all necessary preconditions for effective leadership aimed at achieving company's goals, mission, and vision.

Management style is a managerial parlance often used to describe the management. It is a function of behavior associated with personality (McGuire, 2005). Management style can be understood as a way to manage an organization. According to Schleh (1977), management style is «the adhesive that binds diverse operations and functions together». It is the philosophy or set of principles by which the manager capitalizes on the abilities of the workforce. Management style is not a procedure on how to do but it is the management framework for doing.

A management style is a way of life operating throughout the enterprise and it permits an executive to rely on the initiative of the personnel of an entity.

Companies today face strong competition, which creates numerous and considerable challenges. Hence, the need for a continuous improvement of company's effectiveness and efficiency by creating competitive advantage in order to survive arises. For this purpose, every company must, among other things, exploit the full potential of its employees.

Several management styles have evolved as distinct managers utilized differing approaches in performing responsibilities in the course of their official work. Sequel to the emergence of management styles, scholars have identified and described a variety of formal styles of management since the 1950's. Likert (1967) classified four approaches of management that constitute a continuum of participative, paternalistic, exploitative and autocratic, and consultative management style while Burn and Stalker (1961) identified organic and mechanistic styles of management. Furthermore, Mintzberg (1973) considered entrepreneurial and strategic planning as forms of management styles adopted by managers in organizational entities. In recent times, commonly exhibited styles of management includes authoritarian, coercive, authoritative, democratic, permissive, indifferent, coaching, pacesetter, visionary, bureaucratic and defensive styles of management (Effere, 2005).

McGuire (2005) explored basic management styles and different managers in the pharmaceutical industry and came up with charismatic, persuasive, consultative, transactional, transformational and delegating styles. A survey was conducted by Worrall (2004) in United Kingdom and found that most managers were bureaucratic and restrictive in their management styles which were not conducive to development of high performance cultures for creativity and innovation to flourish in most organizations. Blandchard (1994) reduced management styles to four basic types. They are directing, supporting, coaching and delegating while Khandwalla (1995b) articulated ten dimensions of management styles such as conservative, participative, bureaucratic, paternalistic, authoritarian, organic, entrepreneurial, visionary, professional and altruistic.

Pascale and Athos (1981) examined the Japanese style of management sequel to the economic success of Japan. These scholars highlighted that the Japanese management style underscores paternalism, lifetime employment, seniority, lifelong learning, collective decision making, hard work, co-operation ethics, continuous adaptation and improvement. The management style of the American companies differed markedly from Japanese style and it pays attention to core values, high flexible structure, business unit autonomy, interactivity and innovation.

De Gens (1997) advocates the adoption of tolerance management for learning organizations and knowledge-based companies instead of action-oriented management style. Harbison and Myers (1969) classified management styles as autocratic, paternalistic, participative and laissez-faire, while another emerging management style is the theory proposed by William Oluchi.

There are several management styles identified and grouped by different management scholars. It is clearly evident that the classification of management styles is overlapping and homogenous with slight diversity. It is observed that the variation of management styles arises due to differences in the types of business organization, nature of staff of these organizations and settings. This demonstrates that nations have basic management styles with modifications largely due to the influence of cultural distinctions and peculiarities.

**Relationship Between Management Style and Motivation.** Does the managers' motivation influence their leadership style? If yes, which motivational factors – intrinsic or extrinsic – are more important? The purpose of this research is to answer these two. It is considered that motivated and satisfied individuals can ensure survival and growth of a company in a dynamic and highly uncertain environment, because of the strong influence leadership has on employees' individual performances and their involvement in achieving company's goals. In other words, delivering high performances is directly connected with the relationship between leadership style and followers' motivational needs. This fact has encouraged many researches, have tried to provide an answer who which leadership style is the most appropriate. This quest has resulted in significant leadership theories – from trait theory, through the behavioral and contingency theory, to the contemporary approaches to leadership such as transactional, transformational, interactive, and servant leadership. There are numerous authors who have contributed to these theories and approaches – from Mayo and Lewin, McGregor, Argyris and Likert, to Fiedler, Yetton, Vroom, Handy, Bennis, Yammarino, Greenleaf and many others.

Numerous researches of relationship between management style and motivation have shown that leadership style influences motivation. Mehta et al. (2003), for example, in their researches on leadership style, motivation, and performances, showed that different leadership styles influence motivation. They claimed that participative, supportive and directive leadership styles made the employees more motivated, which in return resulted in higher level of performance. Bass/Avolio (1999) in their studies established a correlation between transformational leadership style and motivation. Storsteth (2004) has found that the people-oriented leadership style was a key predictor for work motivation. Many other researches have also confirmed these results leading to a widely spread opinion about the linkages between management styles and employees' motivation.

Any society has its own social-psychological basics, which factor's variety causes existence of managers with different management styles in variety of communities. What are the strengths of the Georgian society, and the National Management in particular. Which properties and values can contribute to economic growth? This is

an important question that requires research and science-based recommendations. Managers in different countries perform similar activities, but considering traditions, education characteristics, customs, culture, business development, characteristics of nationality they have their own management style, which is quite different from each other very interesting and diverse.

Our research aims to determine the identity of the Georgian management to universally recognized schools, identify its characteristics and the influence of these features on formation of Georgian psychological type of managers, as far as people differ from each other with their genetic certainty and ethical principles. As we mentioned, our research focuses on relationship between the management styles and motivation, which basically formed by Soviet mentality and its inherent management style, typical of any post-Soviet country manager.

Among the theories of motivation, it is important to point out Herzberg's (1959) theory, which identifies two groups of factors – intrinsic and extrinsic. Intrinsic motivation is that which originates from the individual and its realization, raises productivity and self-actualization. Extrinsic motivation is that which comes from the outside of the individual, and its realization results in what Lawler (1973) calls social reward. The most talented and innovative employees are rarely motivated solely by extrinsic rewards (money and other benefits), but also by their intrinsic motivation – which comes from the work they do. The importance of motivation, especially intrinsic, manifests itself in the fact that it can lead to the behavior that is reflected in high performance of the organization.

Managers can use motivational techniques to help satisfy the needs of employees and to simultaneously encourage higher work. Georgian cultural features, business traditions and ethical standards form the peculiar style of government relations and the manager's original styles. These features are reflected in the basic trends of Georgian economics development, priorities and strategies, which have currently got recessive character and countries with economies in transition are characterized by the typical problems. Our country's transit geo-strategic location causes the fact that Georgian entrepreneurial culture is influenced by European and Asian approaches. Georgian management styles formed, as symbiosis of cultural properties, form of government, principles and values.

The end of the XX century formed a new direction – Comparative Management, which studies management with respect to the environment. These issues are very important according to Robert Blake, Jane Mouton, Jim Collins and others opinions. The Japanese management system significantly emerged from modern managerial schools. Based on the values of Western management, Japanese management has built its own model of management. While in the western model the main factor is the final result, Japanese system emphasizes on the human factor, cooperation, «the corporate spirit» formation, and recognition of spiritual values. A key feature of the western business culture are – independence, individuality, self-confidence, straight line, stability, accuracy, punctuality, initiatives, purposefulness, mobility, energy, optimism. This is a society with high social mobility and meritocracy.

Eastern business culture characterized hierarchy, collectively, rituality, cronyism, fatalism, strict subordination, identified the individual with the team, big distance with authorities. It is an important hierarchical and functional difference between the steps. In the scheme below we can see the USA, Japanese and Georgian management models features with their characteristics.

70-year existence under the influence of the Soviet system, led to psychological coincidence between Russian rulers and Georgian managers. First, they have higher education, talent, competence and sociability. The main problem is the dictatorial skills of management that reduces the labour activity and the initiatives. The influence of these factors are still strong in the consciousness of Georgian people. However, our managers have specific features of governors styles different countries – of Hierarchy, egalitarianism, individuality, collectivism and more, which takes the transitional role in Euro-American and Asian cultures.

Dutch management researcher Geert Hofstede first published the results of his study of more than 100,000 employees of the multinational IBM in 40 countries (Hofstede, 1980, 1983, 1984, 1991, 1997, 2001). Hofstede was attempting to locate value dimensions, across which the cultures vary. His dimensions have been frequently used to describe cultures. Hofstede identified four dimensions labeled as individualism, masculinity, power distance, and uncertainty avoidance. His individualism-collectivism dimension describes cultures from loosely structured to tightly integrate. The masculinity femininity dimension describes how a culture's dominant values are assertive or nurturing. Power distance refers to the distribution of influence within a culture. And uncertainty avoidance reflects a culture's tolerance of ambiguity and acceptance of risk. Hofstede took a great part in studying of influence of national culture particularities on management, he studied IRM companies from 50 countries and has established a national culture ethnographic options: Individualism-Collectivism; Distance from government (big-small); Lack of information (strong-weak); Future orientation (short-term-long-term).

Wharton business school is pursuing the global assessment project of national management features. In this theory it is possible to define our national culture's characteristics, which affects the peculiarities of the Georgian management, namely: Passiveness of Company employees, Low level of personal responsibility and the Strong trust of leaders; Active manifestation of nepotism during the recruitment, Often illogical, emotional behaviour, the action of double standards. Apparently, our characteristics are closer to the USA model of organizational behaviour. In Georgia the management of the administrative style dominates. It is impossible belonging Georgian



management system uniquely one of them. As far as the principle of the oriental tradition, it aspires to establish progressive Western, persons and his creative independence-oriented relationship. Today in Georgia, the main problems of managers are a lack of knowledge of social psychology and the still high influence of the Soviet ideology. The manager, who has Administrative style, basically takes directives, which comes from „tops”. That is why a typical style for Georgian manager is excessive centralism, violent punishment and control methods.

For Georgian managers, besides lack of professionalism, problems come from attitude with the owners of company. Differences of opinion and the goals between them are not so rare, because Georgian businessman is conservatory, he does not like the changes, even the progressive changes and also less characterized by the ability to respond adequately to the needs of a new life. Georgian psychology leads inadequate self-estimation for managers that followed dizziness from success, low skills of self-critics and omnipotence mood. «Career growth illness» is typical for Georgian managers. It focuses on personal ambitions and not the interests his / her work.

Leadership is significantly affected by the ability or inability of the leader, who has the appropriate knowledge, skills, and personality, by the ability or inability of followers, who possess or do not possess the necessary knowledge and skills, and who may or may not be motivated, and by the stable or turbulent environment. People with no motivation can't work affectively. This will have the influence on their working efficiency. In Georgia, besides of low professionalism of managers and psychological problems in the relations, the actual problem is in powers delegated in wrong ways, duplication of functions, poor understanding of the strategic goals and objectives, vicious practices in selection and promotion, wrong operating mode, ignoring the interests of the partners, business and competitive relationships, sharp reflection of personal relationships, poor control, wrong communication and other.

Based on the data of the National Statistics Service, there are approximately 60 000 managers in Georgia, 15% of them are employed in large businesses, 85% in medium and small business, whose largest part belongs to the founders of this business. It increasing requirements for managers. The studies have showed that only 20% of enterprises heads are fully familiar with the tax laws, 75% of managers are not familiar with foreign experience in the field of management, 70% of Ltd. managers are not aware of the Ltd essence. Many managers are not able to manage new, modern technologies. A majority of them is dilettante, only one-tenth of managers has received professional education. This was determined in different conditions: Lack of knowledge of modern approaches and trainings; Unhealthy competition; The mentality of the Soviet Union; Low level of lifestyle etc.

Modern management styles formation is connected to the century, when Georgia represented the post-Soviet space; consequently, the main features and characteristics of the management formed in the Soviet were Union embracing all the flaws and viciousness that characterized the system. General trends of management and principles are more or less identical in the former republics, including it is easy to find common psychological traits and their comparative study among the Georgian and Russian managers. During the evaluation of the Russian management a famous theoretic Yitzhak Adzes considers that Russians are slaves to the corporate government authority, often the head like this situation and pleasure to his imperial senses. They do not pay attention to the subordinate opinions. They live in a management vacuum, and make decisions themselves.

High unemployment prefers employers' interests, the principles of partnership relations, does not study violated the psychological-social conditions of workers; this, in itself, is counterproductive and hinders the establishment of market relations. The managing peculiarity in Georgia depends on factor that the socializing of society is too weak. It is less familiar with the law and their rights. Correspondingly, the establishment of civil society, this problem is gradually regulated, because community members are more informed and become adapted to the market principles.

The existed systems dysfunction mostly depends on conformation of the corporation culture. There are weakness about collectivism faithful attitude to his / her work) feeling. Still valid thesis – «honest means poor», that established subconscious influence by Soviet mentality pushing people to illegal actions. The pursuit of wealth is high in society. Power of money is so much stronger, that in addition to stimulating the economy functions, it has the destructive impact on human relations, their spiritual condition and, unfortunately, often the connections between states. Such crisis of materialism has the worthwhile disposition and the psychological addiction depends on the money relations are still actual.

Studies have shown that business relationships play the dominant role in the properties of the top manager. No less important resource for Georgian managers is ability to work in different fields. The managing features are quite different from each level of controlling. While for the regional manager main resource is the ability to adapt to changes, then comes the professionalism, credibility, authority and ability to assemble a team, In general, the leadership skills play a major role for Manager's successful work, as with trust, it also requires a high level of professionalism and teamwork skills.

One of the fundamental aspects of the research is efficiency manager consequent of motivation, In particular, is the manager also a owner of the business, if it has a stake in the business, or he / she is a hired worker. As research shows, the most effective manager is the manager who owns the shares of companies. He is more focused on professionalism, adaptive, authority and trust. Separately allocated nomenclature management is typical for the market system, especially for the administrative relationships. This type of manager main ability is univer-

sality and team building skills and in resources professionalisms is an outsider.

Today Georgian business is trying to find a new style of life. In fact, motivation the success or failure of leadership in each specific situation. Therefore, the basic task of leadership is to find and maintain a balance between the motivation and management style.

Motivation is encouraging people to achieve organizational, group, and individual goals, which are interwoven, so often the realization of one indirectly but simultaneously means the achievement of others. In this context, Deci and Ryan holds that «everyone wants more motivation, but is not entirely sure what it is. Managers and leaders would say they wanted more motivated team of employees or groups, and employers want to hire motivated people. Moreover, the demands of employers are even higher».

As previously said, there is a positive relationship between leadership styles and motivation. Therefore, the above hypotheses were made to determine the direction. In order to research relationships and connections between managers' styles and motivation, two hypotheses were made. There is a relationship between managers' leadership styles and managers' motivation. The relationship between managers' leadership styles and his/her intrinsic motivation is stronger than the relationship between managers' leadership styles and his/her extrinsic motivation.

**Conclusion.** The results of the research into the relationship between managers' style and their motivation have, with a certain amount of reserve, confirmed that there is a relationship between managers' leadership styles and managers' motivation, and that relationship is stronger between intrinsic motivation factors and leadership style than between extrinsic motivation factors and leadership style. In other words, managers develop their leadership style more in line with intrinsic, than with extrinsic rewards, where company policies, empowerment, possibility for attaining achievements and success and getting recognition for a job well done stand out. It should be borne in mind that the motivation of these managers, as well as their leadership style, changes depending on what level of management the manager belongs to.

Finally, managers at various levels of management, who have different leadership styles react differently to the impact of the aforementioned significant factors of motivation, where lower levels of managers moderately react. For example, change their leadership style depending on changes of company's policy, possibility for attaining achievements and success, and getting recognition for a job well done, which is not the case for the other levels of management that do not respond to the changes of these motivation factors. The exception is getting recognition for a job well done, which has an influence on top managers' leadership style.

#### References:

1. Baldwin R. and L. Winters A., Challenges to Globalization: Analyzing the Economics. University of Chicago Press, 2012
2. Davidmann, M. (2005). Styles of Management leadership, <http://www.solbaram.org/articles/dm2.html>.
3. Hofstede G., Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations across Nations. «Sage Publications» Ltd. 2nd Edition. London, United Kingdom, 2001.
4. Maridashvili M., Georgian Business Development Trends, International Scientific and Practical Conference materials «MODERN SCIENCE: Theoretical and practical views». Ufa, Russian Federation, October 29-30, 2013.
5. Maridashvili M., Modern Management Development Features in Georgia from the View of Comparative Management, International Scientific and Practical Conference materials «Achievements and challenges of modern science», Ufa, Russian Federation, July 28, 2015.
6. Mehta, R., Dubinski, A. J. & Anderson, R. E. (2003). Leadership style, motivation and performance in international marketing channels: An empirical investigation of the USA, Finland and Poland, European Journal of Marketing, 37 (1/2), pp. 50-85.
7. Northouse, G. P. (2007). Leadership: Theory and Practice. Thousand Oaks, Cal. : Sage Publications, Inc.
8. Ryan, M. R. & Deci, E. L. (2000). Intrinsic and Extrinsic motivation: Classic definition and new directions. Contemporary Educational Psychology, 25 (19), pp. 54-67.
9. Yukl, G. (2002). Leadership in Organizations. Fifth Edition, Upper Saddle.
10. River, New Jersey : Prentice-Hall International, Inc.