

## Topic 6. Motivating Employees (part 2)



# LEARNING OUTLINE

*Follow this Learning Outline as you read and study this chapter.*

## What Is Motivation?

- Define motivation.
- Explain motivation as a need-satisfying process.

## Early Theories of Motivation

- Describe the five levels in Maslow's hierarchy and how Maslow's hierarchy can be used in motivational efforts.
- Discuss how Theory X and Theory Y managers approach motivation.
- Describe Herzberg's motivation-hygiene theory.
- Explain Herzberg's views of satisfaction and dissatisfaction.

# LEARNING OUTLINE (cont'd)

*Follow this Learning Outline as you read and study this chapter.*

## Contemporary Theories of Motivation

- Describe the three needs McClelland proposed as being present in work settings.
- Explain how goal-setting and reinforcement theories explain employee motivation.
- Describe the job characteristics model as a way to design motivating jobs.
- Discuss the motivation implications of equity theory.
- Contrast distributive and procedural justice.
- Explain the three key linkages in expectancy theory and their role in motivation.

# LEARNING OUTLINE (cont'd)

*Follow this Learning Outline as you read and study this chapter.*

## **Current Issues in Motivation**

- **Describe the cross-cultural challenges of motivation.**
- **Discuss the challenges managers face in motivating unique groups of workers.**
- **Describe open-book management and employee recognition, pay-for-performance, and stock option programs.**

# What Is Motivation?

## Motivation

- The processes that account for an individual's willingness to exert high levels of **effort** to reach **organizational goals**, conditioned by the effort's ability to satisfy some individual **need**.
  - ❖ Effort: a measure of intensity or drive.
  - ❖ Direction: toward organizational goals
  - ❖ Need: personalized reason to exert effort
- Motivation works best when individual needs are compatible with organizational goals.

# What Is Motivation?

## Need

- An internal state that makes certain outcomes appear attractive.
- An unsatisfied need creates tension which is reduced by an individual's efforts to satisfy the need.

## Early Theories of Motivation

- Maslow's Hierarchy of Needs
- MacGregor's Theories X and Y
- Herzberg's Motivation-Hygiene Theory

# Early Theories of Motivation

## Maslow's Hierarchy of Needs Theory

- Needs were categorized as five levels of lower- to higher-order needs.
  - ❖ Individuals must satisfy lower-order needs before they can satisfy higher order needs.
  - ❖ Satisfied needs will no longer motivate.
  - ❖ Motivating a person depends on knowing at what level that person is on the hierarchy.
- Hierarchy of needs
  - ❖ Lower-order (external): physiological, safety
  - ❖ Higher-order (internal): social, esteem, self-actualization

# Early Theories of Motivation (cont'd)

## McGregor's Theory X and Theory Y

### □ Theory X

- ❖ Assumes that workers have little ambition, dislike work, avoid responsibility, and require close supervision.

### □ Theory Y

- ❖ Assumes that workers can exercise self-direction, desire responsibility, and like to work.

- Motivation is maximized by participative decision making, interesting jobs, and good group relations.



# Early Theories of Motivation (cont'd)

## Herzberg's Motivation-Hygiene Theory

- Job satisfaction and job dissatisfaction are created by different factors.
  - ◆ **Hygiene factors:** extrinsic (environmental) factors that create job dissatisfaction.
  - ◆ **Motivators:** intrinsic (psychological) factors that create job satisfaction.
- Attempted to explain why job satisfaction does not result in increased performance.
  - ◆ The opposite of satisfaction is not dissatisfaction, but rather no satisfaction.

# Contemporary Theories of Motivation

Three-Needs Theory

Goal-Setting Theory

Reinforcement Theory

Designing Motivating Jobs

Equity Theory

Expectancy Theory

# Motivation and Needs

## Three-Needs Theory

- There are three major acquired needs that are major motives in work.
- **Need for achievement (nAch)**
  - ❖ The drive to excel and succeed
- **Need for power (nPow)**
  - ❖ The need to influence the behavior of others
- **Need of affiliation (nAff)**
  - ❖ The desire for interpersonal relationships

# Motivation and Goals

## Goal-Setting Theory

- Proposes that setting goals that are accepted, specific, and challenging yet achievable will result in higher performance than having no or easy goals.

## Benefits of Participation in Goal-Setting

- Increases the acceptance of goals.
- Fosters commitment to difficult, public goals.
- Provides for self-feedback (internal locus of control) that guides behavior and motivates performance (self-efficacy).

# Motivation and Behavior

## Reinforcement Theory

- Assumes that a desired behavior is a function of its consequences, is externally caused, and if reinforced, is likely to be repeated.
  - ❖ Positive reinforcement is preferred for its long-term effects on performance
  - ❖ Ignoring undesired behavior is better than punishment which may create additional dysfunctional behaviors.

# Designing Motivating Jobs

## Job Design

- The way into which tasks can be combined to form complete jobs.
- Factors influencing job design:
  - ❖ Changing organizational environment/structure
  - ❖ The organization's technology
  - ❖ Employees' skill, abilities, and preferences
- Job enlargement
  - ❖ Increasing the scope (number of tasks) in a job.
- Job enrichment
  - ❖ Increasing responsibility and autonomy (depth) in a job.

# Designing Motivating Jobs (cont'd)

## Job Characteristics Model (JCM)

- A conceptual framework for designing motivating jobs that create meaningful work experiences that satisfy employees' growth needs.
- Five primary job characteristics:
  - ❖ Skill variety: how many skills and talents are needed?
  - ❖ Task identity: does the job produced a completed work?
  - ❖ Task significance: how important is the job?
  - ❖ Autonomy: how independence do the jobholder have?
  - ❖ Feedback: do workers know how well they are doing?

# Designing Motivating Jobs (cont'd)

## Suggestions for Using the JCM

- Combine tasks (job enlargement) to create more meaningful work.
- Create natural work units to make employees' work important and whole.
- Establish external and internal client relationships to provide feedback.
- Expand jobs vertically (job enrichment) by giving employees more autonomy.
- Open feedback channels to let employees know how well they are doing.



# Motivation and Perception

## Equity Theory

- Proposes that employees perceive what they get from a job situation (outcomes) in relation to what they put in (inputs) and then compare their inputs-outcomes ratio with the inputs-outcomes ratios of relevant others.
  - ❖ If the ratios are perceived as equal then a state of equity (fairness) exists.
  - ❖ If the ratios are perceived as unequal, inequity exists and the person feels under- or over-rewarded.
  - ❖ When inequities occur, employees will attempt to do something to rebalance the ratios (seek justice).

# Motivation and Perception (cont'd)

## Equity Theory (cont'd)

- **Employee responses to perceived inequities:**
  - ❖ Distort own or others' ratios.
  - ❖ Induce others to change their own inputs or outcomes.
  - ❖ Change own inputs (increase or decrease efforts) or outcomes (seek greater rewards).
  - ❖ Choose a different comparison (referent) other (person, systems, or self).
  - ❖ Quit their job.
- **Employees are concerned with both the absolute and relative nature of organizational rewards.**

# Motivation and Perception (cont'd)

## Equity Theory (cont'd)

### □ Distributive justice

- ❖ The perceived fairness of the amount and allocation of rewards among individuals (i.e., who received what).
  - Influences an employee's satisfaction.

### □ Distributive

- ❖ The perceived fairness of the process use to determine the distribution of rewards (i.e., how who received what).
  - Affects an employee's organizational commitment.

# Motivation, Perception, and Behavior

## Expectancy Theory

- States that an individual tends to act in a certain way based on the expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.
- Key to the theory is understanding and managing employee goals and the linkages among and between effort, performance and rewards.
  - ◆ **Effort:** employee abilities and training/development
  - ◆ **Performance:** valid appraisal systems
  - ◆ **Rewards (goals):** understanding employee needs

# Motivation, Perception, and Behavior (cont'd)

## Expectancy Relationships

- **Expectancy (effort-performance linkage)**
  - ❖ The perceived probability that an individual's effort will result in a certain level of performance.
- **Instrumentality**
  - ❖ The perception that a particular level of performance will result in the attaining a desired outcome (reward).
- **Valence**
  - ❖ The attractiveness/importance of the performance reward (outcome) to the individual.

# Current Issues in Motivation

## Cross-Cultural Challenges

- Motivational programs are most applicable in cultures where individualism and quality of life are cultural characteristics
  - ❖ Uncertainty avoidance of some cultures inverts Maslow's needs hierarchy.
  - ❖ The need for achievement (nAch) is lacking in other cultures.
  - ❖ Collectivist cultures view rewards as “entitlements” to be distributed based on individual needs, not individual performance.

# Current Issues in Motivation (cont'd)

## Cross-Cultural Consistencies

- Interesting work is widely desired, as is growth, achievement, and responsibility.

## Motivating Unique Groups of Workers

- Motivating a diverse workforce through flexibility:
  - ❖ Men desire more autonomy than do women.
  - ❖ Women desire to learning opportunities, flexible work schedules, and good interpersonal relations.

# Current Issues in Motivation (cont'd)

## Flexible Work/Job schedules

- **Compressed work week**
  - ❖ Longer daily hours, but fewer days
- **Flexible work hours (flextime)**
  - ❖ Specific weekly hours with varying arrival, departure, lunch and break times around certain core hours during which all employees must be present.
- **Job Sharing**
  - ❖ Having two or more people split a full-time job.
- **Telecommuting**
  - ❖ Having employees work from home using computer links.



# Current Issues in Motivation (cont'd)

## Motivating Professionals

### □ Characteristics of professionals

- ❖ Strong and long-term commitment to their field of expertise.
- ❖ Loyalty is to their profession, not to the employer
- ❖ Have the need to regularly update their knowledge
- ❖ Don't define their workweek as 8:00 am to 5:00 pm.

### □ Motivators for professionals

- ❖ Job challenge
- ❖ Organizational support of their work

# Current Issues in Motivation (cont'd)

## Motivating Contingent Workers

- Opportunity to become a permanent employee.
- Opportunity for training
- Equity in compensation and benefits

## Motivating Low-Skilled, Minimum-Wage Employees

- Employee recognition programs
- Providing sincere praise

# Current Issues in Motivation (cont'd)

## Designing Appropriate Rewards Programs

### □ Open-book management

- ❖ Involving employees in workplace decision by opening up the financial statements of the employer.

### □ Employee recognition programs

- ❖ Giving personal attention and expressing interest, approval, and appreciation for a job well done.

### □ Pay-for-performance

- ❖ Variable compensation plans that reward employees on the basis of their performance:
  - Piece rates, wage incentives, profit-sharing, and lump-sum bonuses

# Current Issues in Motivation (cont'd)

## Designing Appropriate Rewards Programs (cont'd)

### □ Stock option programs

- ❖ Using financial instruments (in lieu of monetary compensation) that give employees the right to purchase shares of company stock at a set (option) price.
- ❖ Options have value if the stock price rises above the set price; they are worthless if the stock price falls below the option price.

# **From Theory to Practice: Guidelines for Motivating Employees**

**Recognize individual differences**

**Match people to jobs**

**Use goals**

**Ensure that goals are perceived as attainable**

**Individualize rewards**

**Link rewards to performance**

**Check the system for equity**

**Use recognition**

**Don't ignore money**