

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