Motivating Employees

Learning Outline

After you read this chapter you should know the following learning objectives:.

- **#1**: What is motivation?

- **#2**: How can needs help one to be motivated?

- **#3**: What are the contemporary theories of motivation?
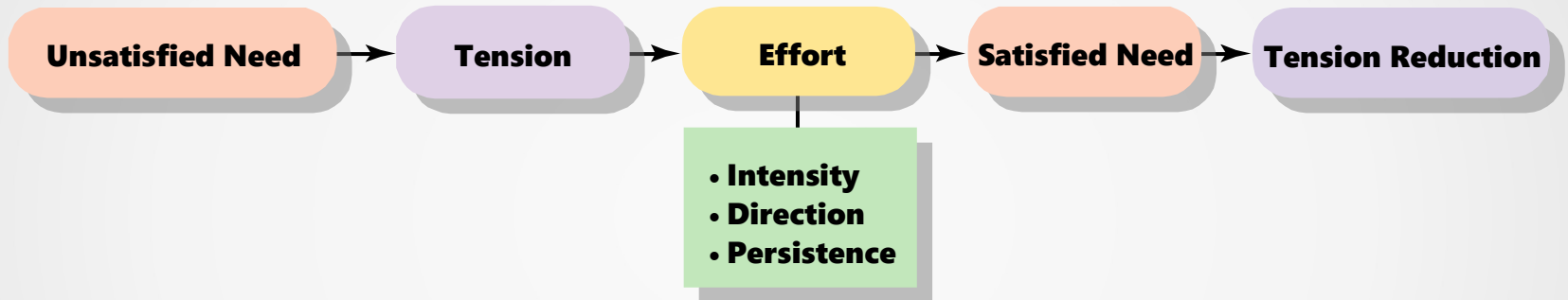
Learning Outline

After you read this chapter you should know the following learning objectives:.

- **#4**: What are some current issues in   motivation?
- **#5**: How can managers motivate employees?

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

Exhibit 13.1 The Motivation Process

Unsatisfied Need → Tension → Effort → Satisfied Need → Tension Reduction

Effort:
- Intensity
- Direction
- Persistence

Early Theories of Motivation

- Maslow's Hierarchy of Needs Theory
  - Needs were categorized as five levels
    - 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

Exhibit 13.2 Maslow's Hierarchy of Needs
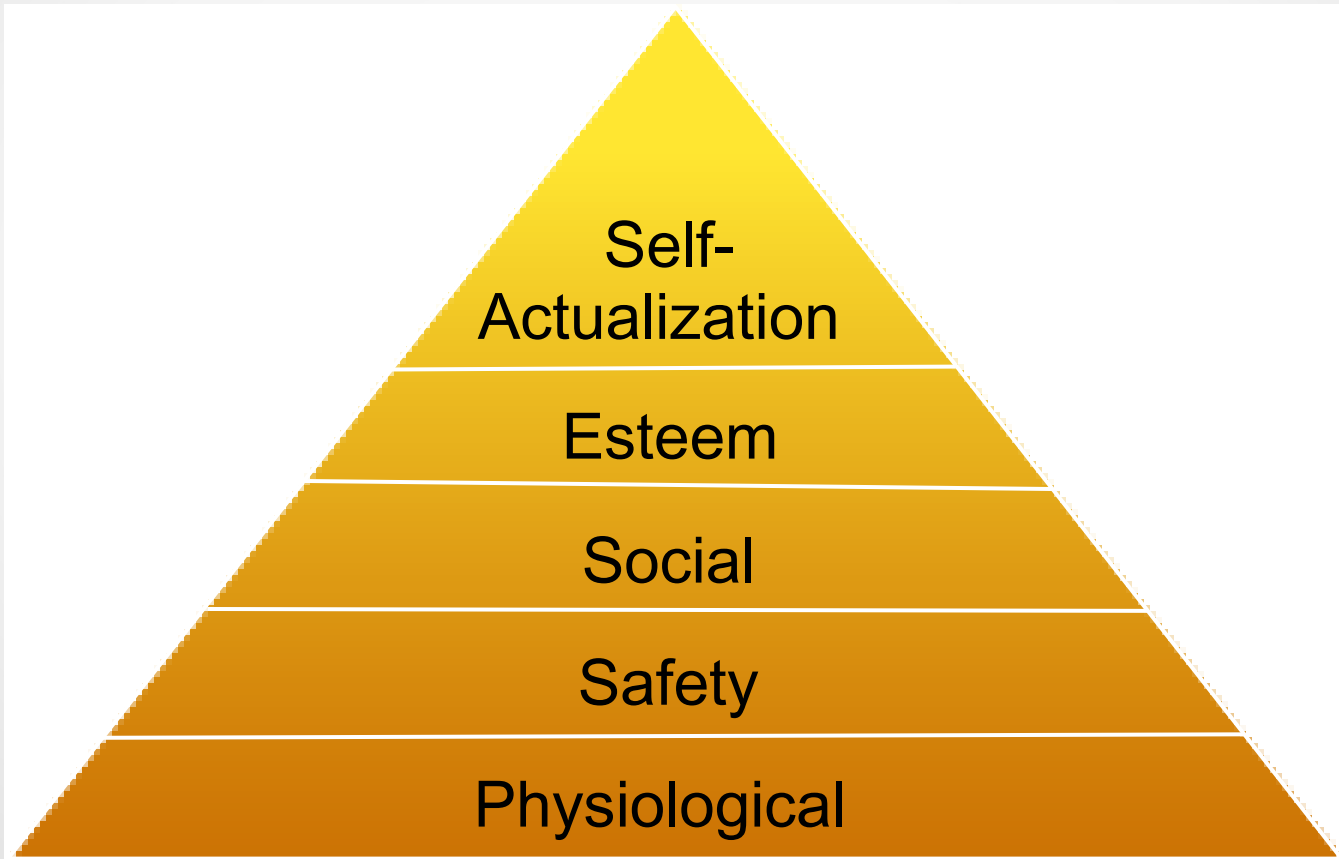
Early Theories of Motivation

- McGregor's Theory X and Theory Y
  - Theory X
    - Employees have little ambition, dislike work, avoid responsibility, and require close supervision
  - Theory Y
    - Employees 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

- 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
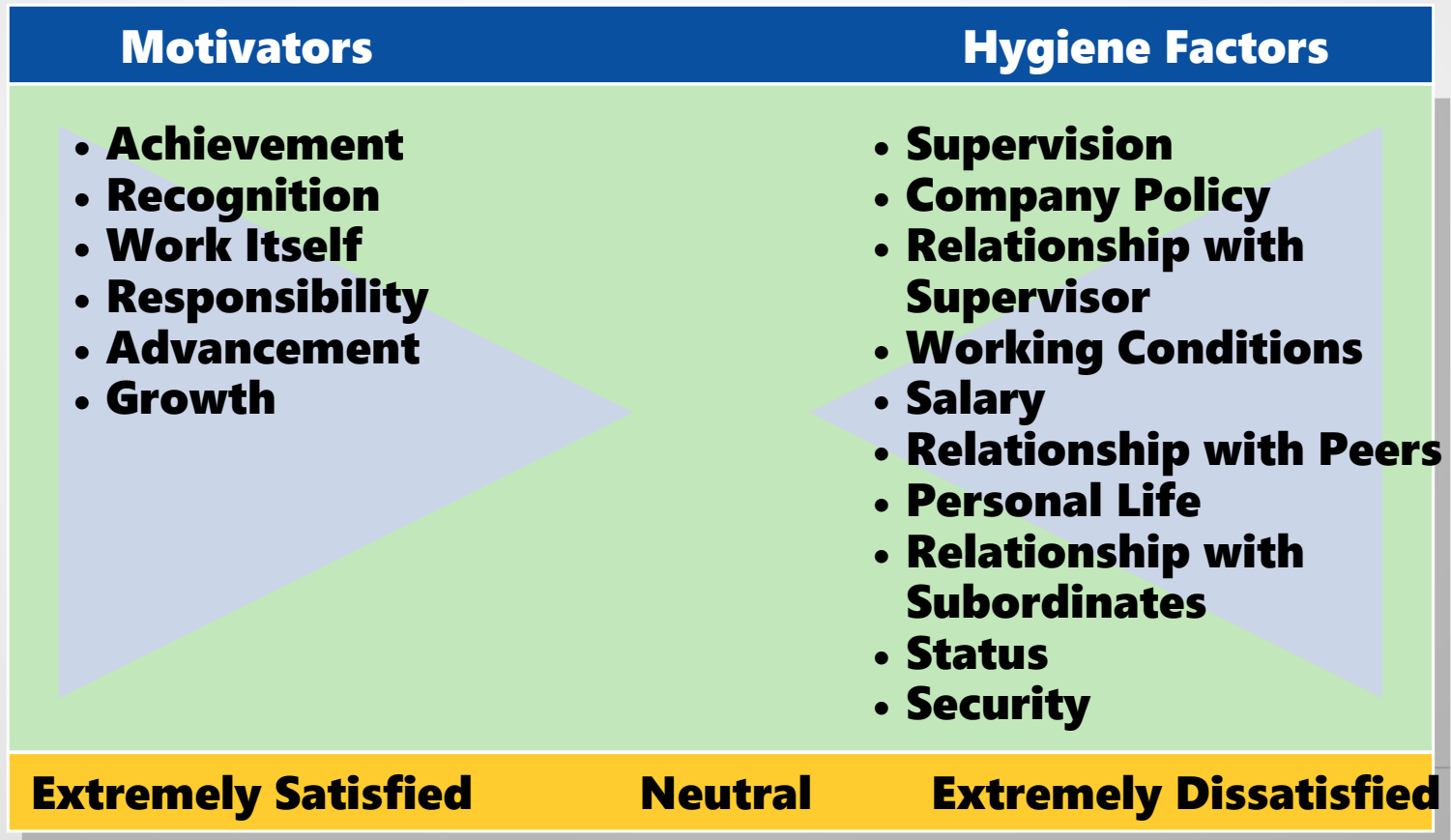
Exhibit 13.3 Herzberg's Motivation-Hygiene Theory

Motivators	Hygiene Factors
• Achievement • Recognition • Work Itself • Responsibility • Advancement • Growth	• Supervision • Company Policy • Relationship with Supervisor • Working Conditions • Salary • Relationship with Peers • Personal Life • Relationship with Subordinates • Status • Security

Extremely Satisfied   **Neutral**   **Extremely Dissatisfied**

Exhibit 13.4 Contrasting Views of Satisfaction–Dissatisfaction

Traditional View

Satisfied	Dissatisfied

Herzberg's View

Motivators	
Satisfaction	No Satisfaction

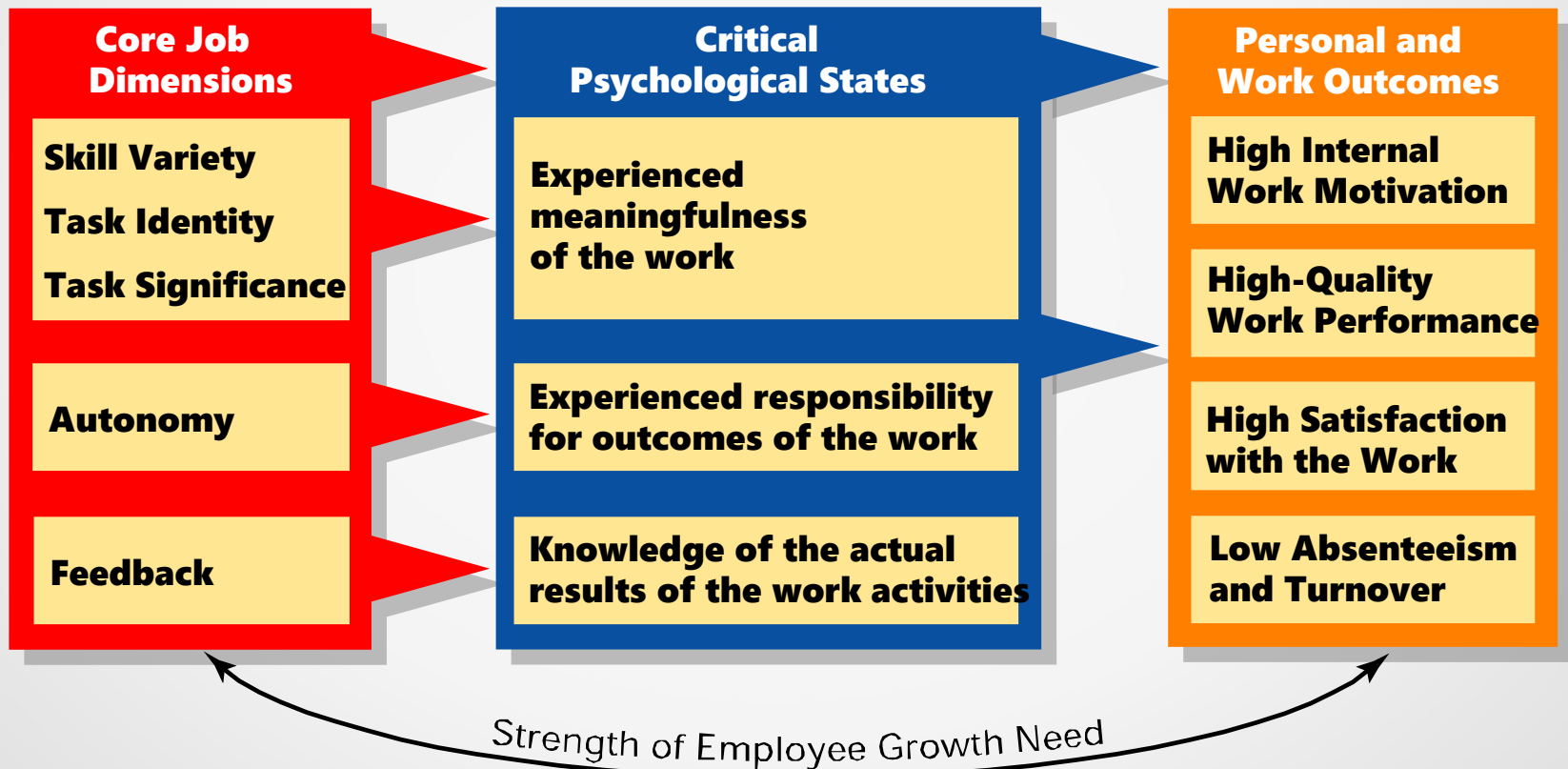| Hygiene Factors	
No Dissatisfaction	Dissatisfaction

Designing Motivating Jobs

- ## Job Design
  - How tasks can be combined to form complete jobs
  - Factors influencing job design:
    - Changing organizational environment/structure
    - The organization's technology
    - Employees' skills, abilities, and preferences
  - Job enlargement
    - Increasing the scope (number of tasks) in a job
  - Job enrichment
    - Increasing responsibility and autonomy (depth) in a job
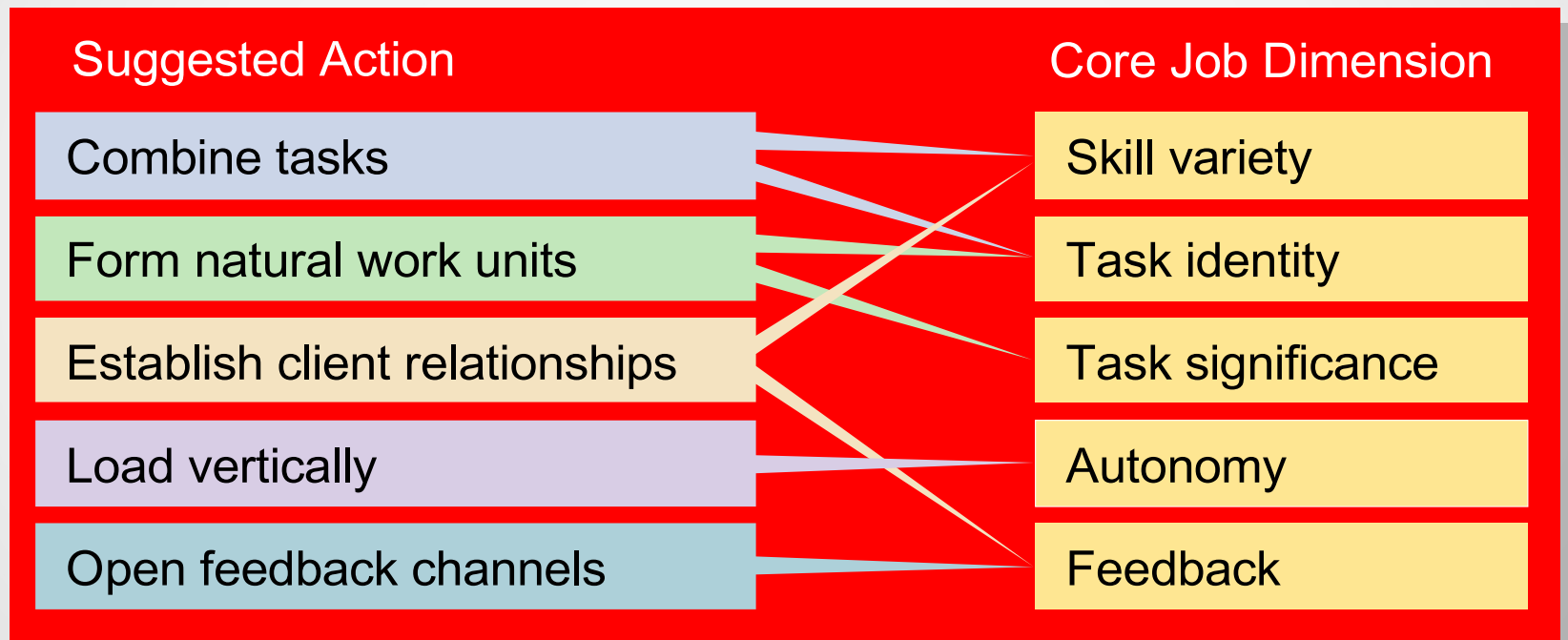
Designing Motivating Jobs

- Job Characteristics Model (JCM)
  - A framework for designing motivating jobs
  - Five primary job characteristics:
    - Skill variety: how many skills and talents are needed?
    - Task identity: does the job produce a complete work?
    - Task significance: how important is the job?
    - Autonomy: how much independence does the jobholder have?
    - Feedback: do workers know how well they are doing?

Exhibit 13.5 Job Characteristics Model

Core Job Dimensions	Critical Psychological States	Personal and Work Outcomes
Skill Variety Task Identity Task Significance	Experienced meaningfulness of the work	High Internal Work Motivation
		High-Quality Work Performance
Autonomy	Experienced responsibility for outcomes of the work	High Satisfaction with the Work
Feedback	Knowledge of the actual results of the work activities	Low Absenteeism and Turnover

Strength of Employee Growth Need

Source: J.R. Hackman and J.L. Suttle (eds.). *Improving Life at Work*
(Glenview, IL: Scott, Foresman, 1977). With permission of the authors.

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Exhibit 13.6 Guidelines for Job Redesign

Suggested Action	Core Job Dimension
Combine tasks	Skill variety
Form natural work units	Task identity
Establish client relationships	Task significance
Load vertically	Autonomy
Open feedback channels	Feedback

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- 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

- Equity Theory
- 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

Exhibit 13.7 Equity Theory

| Ratio of Output to Input	Person 1's Perception
Person 1 **Person 2**	**Inequity, under-rewarded**
Person 1 **Person 2**	**Equity**
Person 1 **Person 2**	**Inequity, over-rewarded**

Motivation and Perception

- Equity Theory
- Distributive Justice
    - The perceived fairness of the amount and allocation of rewards among individuals (i.e., who received what)
        - Influences an employee's satisfaction
    - Procedural Justice
        - The perceived fairness of the process used to determine the distribution of rewards (i.e., how who received what)
            - Affects an employee's organizational commitment

Motivation, Perception, and Behaviour

- Expectancy Theory
  - Individuals act based on the expectation that a given outcome will follow and whether that outcome is attractive
  - 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

Exhibit 13.8 Simplified Expectancy Model

Individual Effort **A**→ Individual Performance **B**→ Organizational Rewards **C**→ Individual Goals
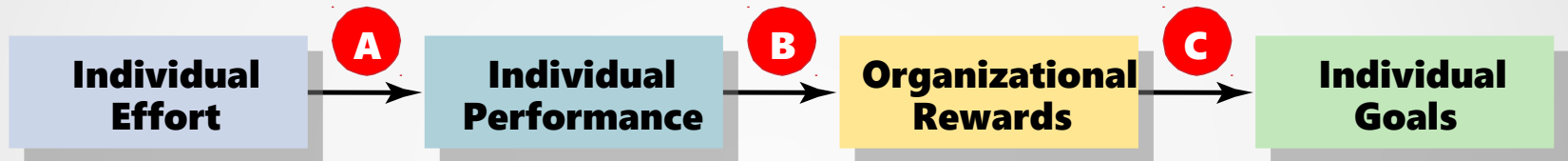
A = Effort-performance linkage

B = Performance-reward linkage

C = Attractiveness of reward

Motivation, Perception, and Behaviour

- 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 attaining a desired outcome (reward)
  - Valence
    - The attractiveness/importance of the performance reward (outcome) to the individual

Exhibit 13.9 Increasing Motivation

Improving Expectancy

Improve the ability of the individual to perform

- Make sure employees have skills for the task.
- Provide training.
- Assign reasonable tasks and goals.

Improving Instrumentality

Increase the individual's belief that performance will lead to reward

- Observe and recognize performance.
- Deliver rewards as promised.
- Indicate to employees how previous good performance led to greater rewards.

Improving Valence

Make sure that the reward is meaningful to the individual

- Ask employees what rewards they value.
- Give rewards that are valued.

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

- Cross-Cultural Consistencies
  - Interesting work is widely desired, as is growth, achievement, and responsibility

Current Issues in Motivation

- Motivating Unique Groups of Workers
  - Motivating a diverse workforce through flexibility:
    - Men desire more autonomy than do women
    - Women desire learning opportunities, flexible work schedules, and good interpersonal relations

- Flexible Work/Job Schedules
  - Compressed workweek
    - 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
    - Two or more people split a full-time job
  - Telecommuting
    - Employees work from home using computer links

Current Issues in Motivation

- 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

- Motivating in a Unionized Environment
  - Unionized workplaces provide challenges to motivation theories
  - Canadian unions not very receptive to pay-for-performance plans
  - Unions worry that differential pay for doing similar work can hurt cooperation

Current Issues in Motivation

- Motivating in the Public Sector
  - Productivity is more difficult to measure because the work carried out is often of a service nature
  - Harder to make link between rewards and productivity
  - Research suggests that setting goals significantly improves motivation of public sector employees

Current Issues in Motivation

- 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
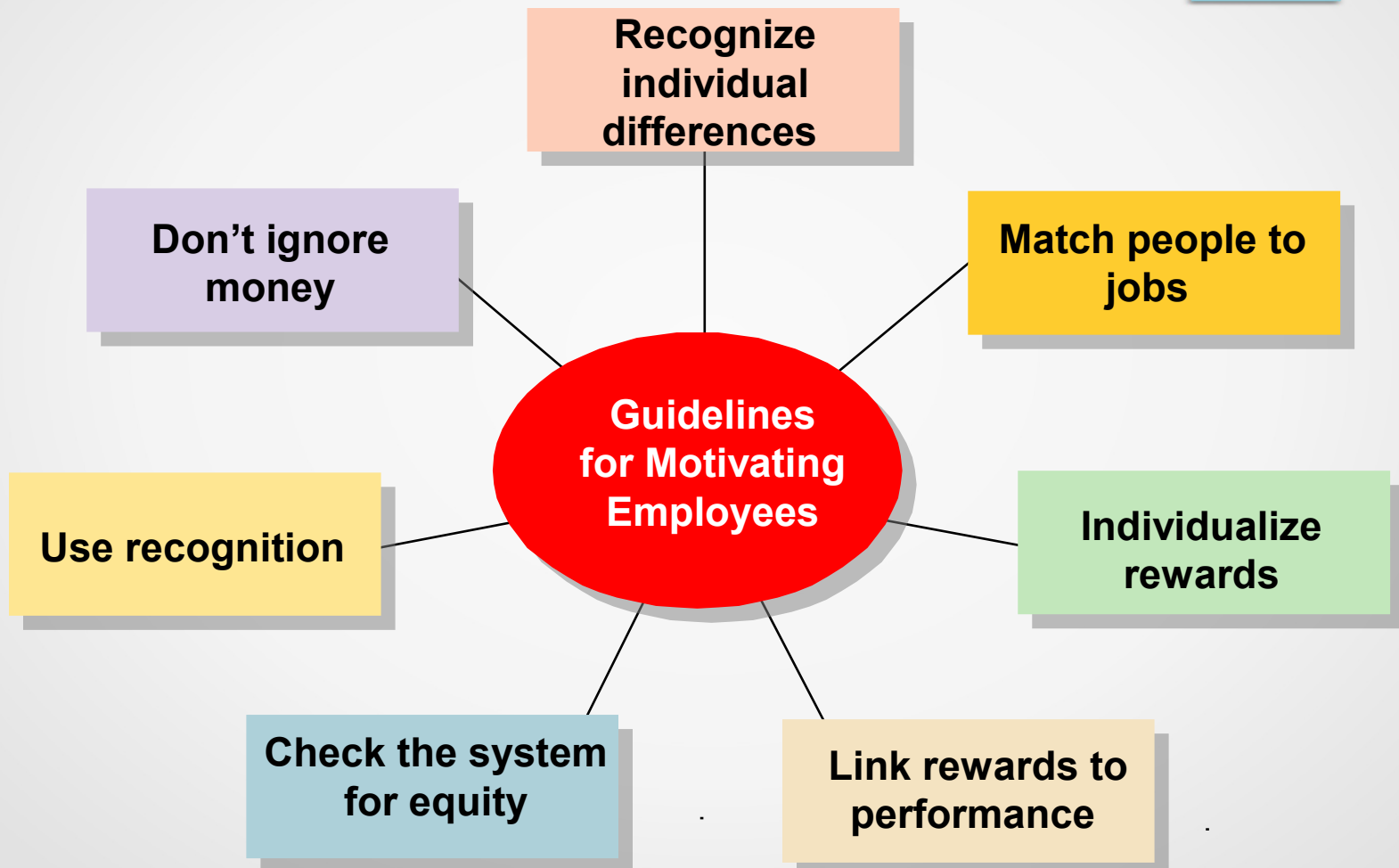 - Provision of sincere praise

- 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

- Designing Appropriate Rewards Programs
- 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 option price; they become 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
- Individualize rewards
- Link rewards to performance
- Check the system for equity
- Use recognition
- Don't ignore money

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Summary and Implications

- What is motivation?
  - Processes that account for an individual's willingness to exert high levels of effort to reach organizational goals and to satisfy individual needs
- How can needs help one be motivated?
  - Needs and content theories
- What are the contemporary theories of motivation?
  - JCM model, equity theory, expectancy theory

Summary and Implications

- What are some current issues in motivation?
  - Diversity in workforce, effective rewards programs, work-life balance
- How can managers motivate employees?
  - Recognizing individual differences, matching people to jobs, individualizing rewards, linking rewards to performance, system equity, using recognition, not ignoring money as a motivator