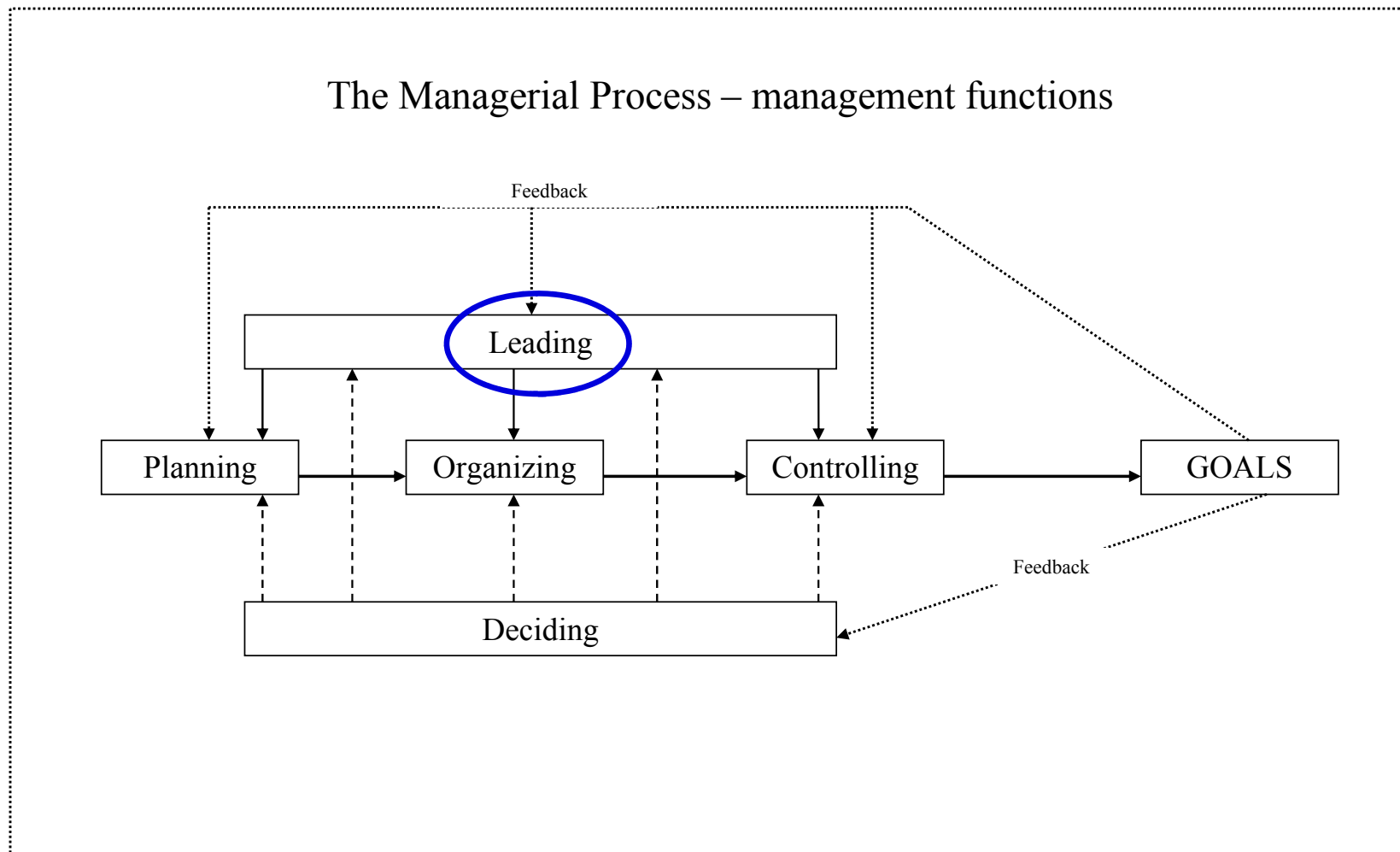# MUNI
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Motivating employees

Lecture 9

Agenda for today

- Motivation defined

- Early theories of motivation
  - Maslow's hierarchy
  - McGregor's theory X/Y
  - Herzberg's 2-factor theory
  - McClelland's 3 needs theory

- Contemporary theories
  - Goal setting theory
  - Reinforcement theory
  - Job design theory
  - Equity theory
  - Expectancy theory

- Integrating theories of motivation

- Current issues in motivation

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Where are we?

The Managerial Process – management functions

Feedback

Leading

Planning → Organizing → Controlling → GOALS

Deciding

Feedback

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What is motivation?

- ## Motivation

  = willingness to exert high levels of effort to reach (organizatonal) goals, conditioned by the effort's ability to satisfy some (individual) need.

  - Is the result of an interaction between the person and a situation => it **is not** a personal trait.

  - Is the process by which a person's efforts are energized, directed, and sustained towards attaining a goal.

    Intensity: a measure of intensity or drive.

   **Direction:** toward organizational goals

    Persistence: exerting effort to achieve goals.

  - Motivation works best when individual needs are compatible with organizational goals.

Early Theories of Motivation (1/3)

Maslow's Hierarchy of Needs Theory

– Needs were categorized as five levels of
  lower- to higher-order needs.

  Lower-order (external): physiological, safety
  Higher-order (internal): social, esteem, self-
  actualization

– 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.

Self-Actualization

Esteem

Social

Safety

Physiological

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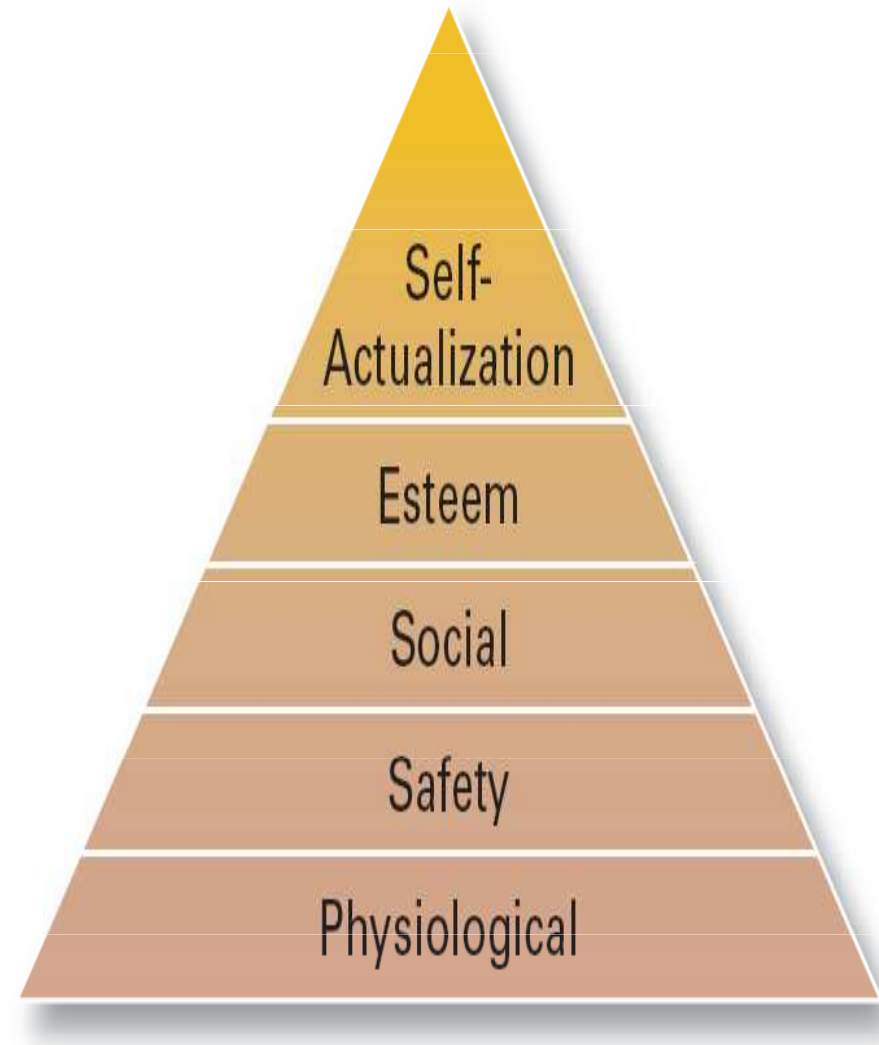
Early Theories of Motivation (2/3)
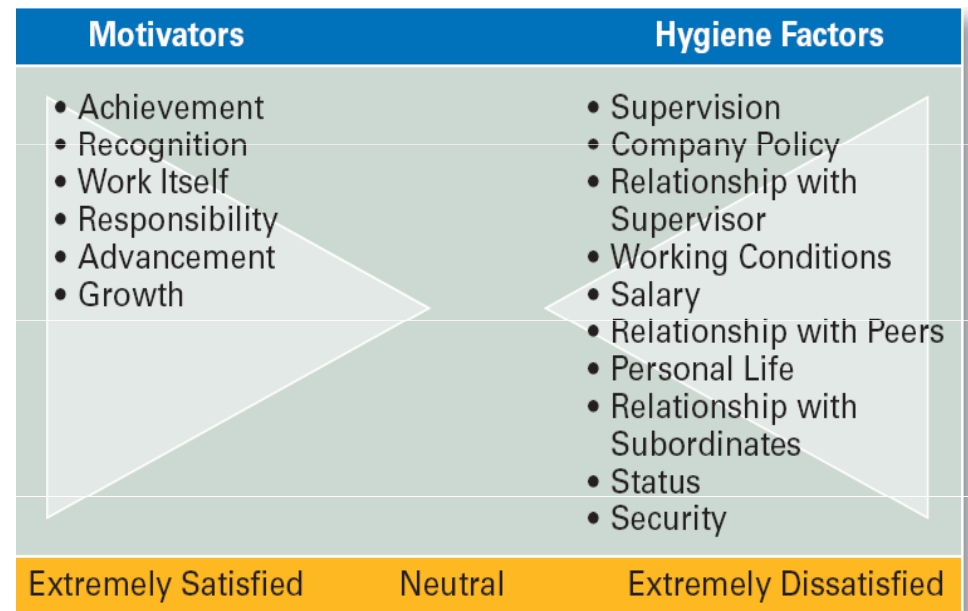
Herzberg's Motivation-Hygiene Theory

– Job satisfaction and job dissatisfaction are created by different factors.

Hygiene factors: extrinsic (environmental) factors that create job dissatisfaction.
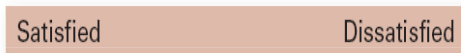
Motivators: intrinsic (psychological) factors that create job satisfaction.

– Attempted to explain why job satisfaction does not result in increased performance.

The opposite of satisfaction is not dissatisfaction, but rather no satisfaction.

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

Extremely Satisfied	Neutral	Extremely Dissatisfied

Traditional View

Satisfied	Dissatisfied

Herzberg's View

Motivators	Hygiene Factors
Satisfaction	No Satisfaction	No Dissatisfaction	Dissatisfaction

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Early Theories of Motivation (3/3)

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.

Assumption:

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

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Contemporary theories (1/6)

Three-Needs Theory (McClelland)

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

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Contemporary theories (2/6)

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. Is culture bound to the U.S. and Canada.

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).


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Contemporary theories (3/6)

Job Design Model

– 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

- 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.
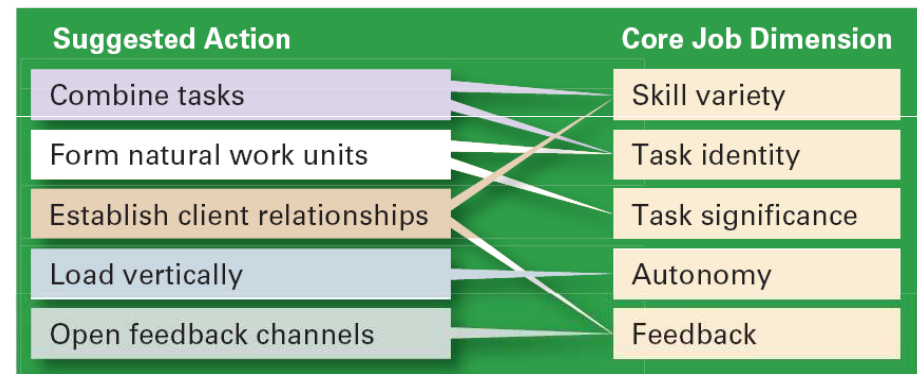
Job enlargement
   Increasing the job's scope (number and frequency of tasks)
Job enrichment
   Increasing responsibility and autonomy (depth) in a job.

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Contemporary theories (4/6)

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).

Perceived Ratio Comparison[a]	Employee's Assessment
$\dfrac{\text{Outcomes A}}{\text{Inputs A}} < \dfrac{\text{Outcomes B}}{\text{Inputs B}}$	Inequity (underrewarded)
$\dfrac{\text{Outcomes A}}{\text{Inputs A}} = \dfrac{\text{Outcomes B}}{\text{Inputs B}}$	Equity
$\dfrac{\text{Outcomes A}}{\text{Inputs A}} > \dfrac{\text{Outcomes B}}{\text{Inputs B}}$	Inequity (overrewarded)

[a] Person A is the employee, and person B is a relevant other or referent.

Employees respond 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.

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 use to determine the distribution of rewards (i.e., how who received what).

Affects an employee's organizational commitment.

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Contemporary theories (5/6)

Expectancy Theory (Vroom)

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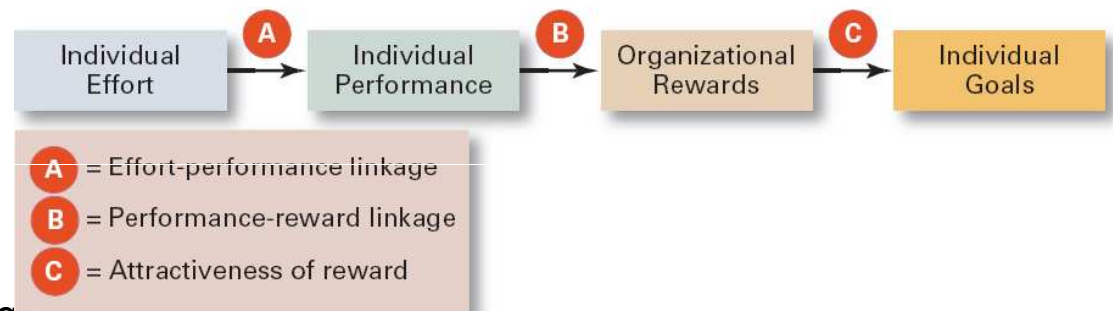
− Expectancy Relationships
  − Expectancy (effort-performance linkage)
    The perceived probability that an individual's effort will result in a certain level of performance.
  − Instrumentality
    The perception that a particular level of performance will result in the attaining a desired outcome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

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Contemporary theories (6/6)

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.

Motivation

What are you going to use, a carrot or a stick?

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Integrating Contemporary Theories (of Motivation)

Many of the ideas are complementary…   ….and they offer some practical advice!
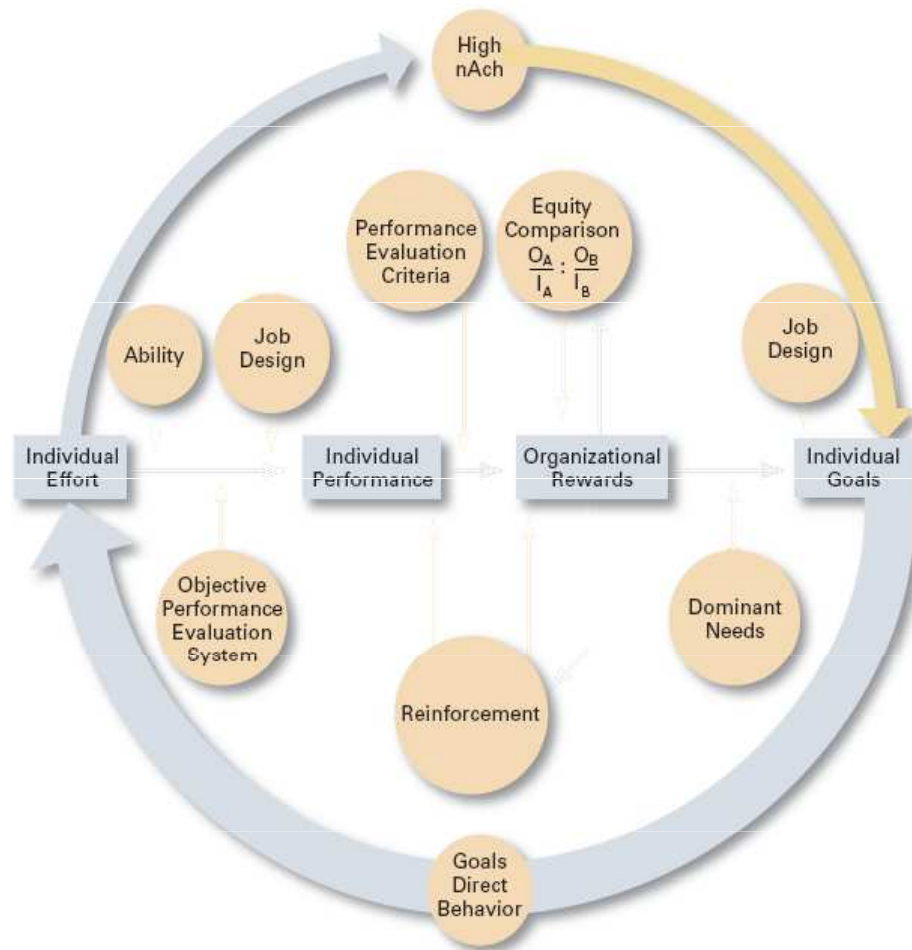
- Use goals
- Ensure that goals are perceived as attainable
- Individualize rewards
- Link rewards to performance
- Check the system for equity
- Use recognition
- Show care and concern for employees
- Don't ignore money

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Current Issues in Motivation (1/3)

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.

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

Motivating through flexibility

– 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 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
- Two or more people split a full-time job.

– Telecommuting
- Employees work from home using computer links.

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Current Issues in Motivation (2/3)

Motivating unique groups of employees

– 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

– Contingent Workers

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

– Low-Skilled, Minimum-Wage Employees

- Employee recognition programs
- Provision of sincere praise

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Current Issues in Motivation (3/3)

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

- 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.

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Terms to Know

three-needs theory
need for achievement (nAch)
need for power (nPow)
need for affiliation (nAff)
goal-setting theory
self-efficacy
reinforcement theory
reinforcers
job design
job scope
job enlargement
procedural justice
expectancy theory
compressed workweek

motivation
hierarchy of needs theory
physiological needs
safety needs
social needs
esteem needs
self-actualization needs
Theory X
Theory Y
motivation-hygiene theory
hygiene factors
motivators
employee recognition programs

job enrichment
job depth
job characteristics model
skill variety
task identity
task significance
autonomy
feedback
equity theory
referents
distributive justice
flexible work hours (flextime)
job sharing