

PRE 571

INDUSTRIAL PSYCHOLOGY

Industrial/Organizational Psychology:

Explores how individual behaviour is affected by the work environment, coworkers, and organizational practices

WHAT IS MOTIVATION?

- The intensity, direction, and persistence of effort a person shows in reaching a goal:
 - Intensity: How hard a person tries
 - Direction: Where effort is channeled
 - Persistence: How long effort is maintained

WHAT IS MOTIVATION?

➤ Why know about motivation?

- Help you understand your behavior and the behavior of others.
- Can help a manager build and manage a “system of motivation”.
- Offers conceptual tools for analyzing motivation problems in organizations.
- Respect diversity and individual differences to best understand what people want from work.
- Allocate rewards to satisfy the interests of both individuals and the organization.

WHAT IS MOTIVATION?

➤ Basic motivational concepts

Motivation—the forces within the individual that account for the level, direction, and persistence of effort expended at work.

Reward—a work outcome of positive value to the individual

Intrinsic Motivators

A person’s internal desire to do something, due to such things as interest, challenge, and personal satisfaction.

Extrinsic Motivators

Motivation that comes from outside the person and includes such things as pay, bonuses, and other tangible rewards.

WHAT IS MOTIVATION?

3 ways of looking at motivation:

1. what initiates or activates behavior?
needs
2. what directs behavior toward a particular goal?
rational processes
3. how is good behavior sustained over time?
reinforcement

WHAT IS MOTIVATION?

➤ Needs

- Unfulfilled physiological and psychological desires of an individual.
- Explain workplace behavior and attitudes.
- Create tensions that influence attitudes and behavior.
- Good managers and leaders facilitate employee need satisfaction.

WHAT IS MOTIVATION?

Douglas McGregor proposed two distinct views of human beings, one basically negative, labeled Theory X, and the other basically positive, labeled Theory Y. Each has four assumptions which tend to be the opposite of each other.

Theory X assumptions:

- 1) Employees inherently dislike work and, whenever possible, will attempt to avoid it.
- 2) Since employees dislike work, they must be coerced, controlled, or threatened with punishment to achieve desired goals.
- 3) Employees will avoid responsibilities and seek formal direction whenever possible.
- 4) Most workers place security above all other factors associated with work and will display little ambition.
- Theory X assumes that lower-order needs dominate individuals. Theory X focuses on physiological and security needs and virtually ignores the higher needs discussed by Maslow.

WHAT IS MOTIVATION?

Douglas McGregor proposed two distinct views of human beings, one basically negative, labeled Theory X, and the other basically positive, labeled Theory Y. Each has four assumptions which tend to be the opposite of each other.

Theory Y contrasting assumptions:

- 1) Employees can view work as being as natural as rest or play.
- 2) A person who is committed to the objectives will exercise self-direction and self-control.
- 3) The average person can learn to accept, even seek, responsibility.
- 4) The ability to make innovative decisions is widely dispersed throughout the population and not necessarily the sole province of those in management.
- Theory Y assumes that higher-order needs dominate individuals.

WHAT IS MOTIVATION?

- **Theory Z** is a management philosophy that stresses employee participation in all aspects of company decision making.
- Theory Z was developed by William Ouchi, and it incorporates and adapts many elements of the Japanese approach to management. Managers and workers share responsibilities; the management style is participative, and employment is long term.
- The traditional American management style is formal and impersonal, but Theory Z is less formal and more personal.
- With Theory Z, there is less specialization and more group decision making, control is more informal, and managers focus on the worker's whole life.

MOTIVATION THEORIES

➤ Types of motivation theories

• Content theories

Human needs and how people with different needs may respond to different work situations.

• Process theories

How people give meaning to rewards and make decisions on various work-related behaviors.

• Reinforcement theory

How people's behavior is influenced by environmental consequences.

MOTIVATION THEORIES

content (need) theories

- Hierarchy of needs (Maslow)
- erg theory (Alderfer)
- manifest needs (Murray, McClelland)
- two-factor theory (Herzberg)
- job design theory (Hackman)

process theories

- equity theory (Adams)
- expectancy theory (Vroom)
- cognitive evaluation theory (Deci)
- goal-setting theory (Locke)

reinforcement theories

- operant conditioning (Skinner)
- behaviour modification

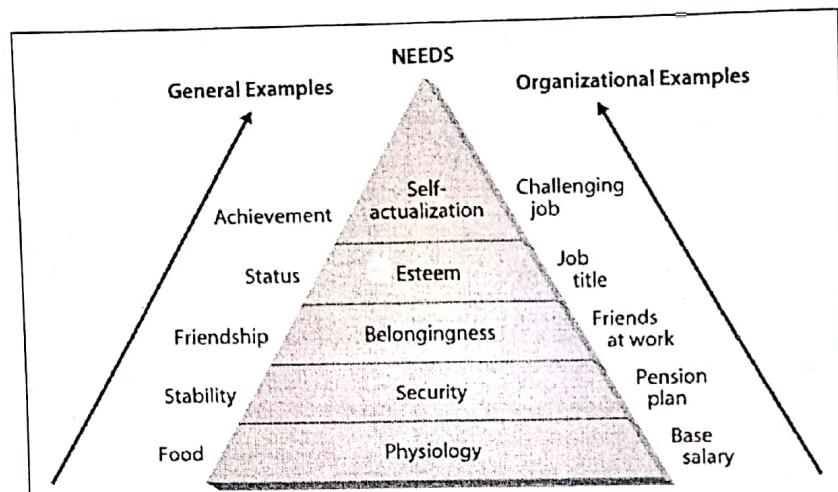
CONTENT (NEED) THEORIES

WHAT INITIATES OR ACTIVATES BEHAVIOR?

Models of motivation that try to answer the question..."What factors in the workplace motivate people?"

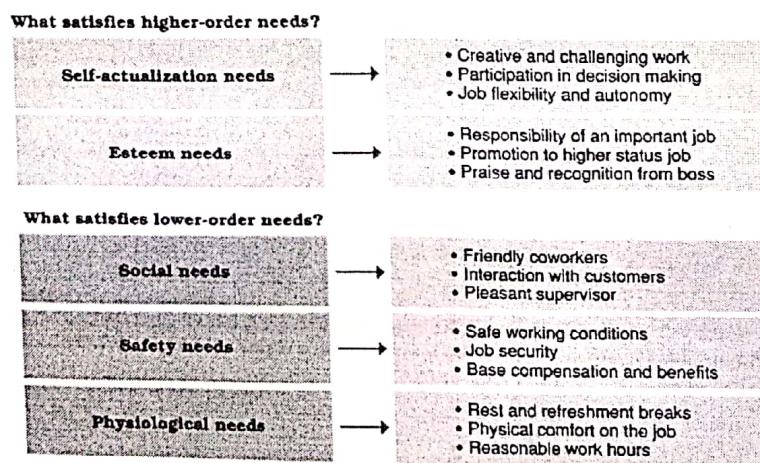
Focuses on needs and deficiencies of individuals.

Maslow's Hierarchy of Needs



Maslow's Hierarchy of Needs

Opportunities for satisfaction in Maslow's hierarchy of human needs



HIERARCHY OF NEEDS

MASLOW

assumptions

- a 5-level hierarchy of needs exists universally
- only unsatisfied needs motivate us
- as lower-level needs are satisfied, higher-level needs become more important determinants of behavior

the hierarchy

5. self-actualization
4. esteem or ego needs
3. belongingness or social needs
2. security or safety needs
1. physiological needs

research findings

- no distinct progression up through the 5 levels
- people pursue several needs simultaneously
- people can regress (move back down) the hierarchy

ERG THEORY

ALDERFER

assumptions

- a three-level hierarchy
- more than one need can be simultaneously pursued
- people can regress (move back down) the hierarchy

the hierarchy

3. growth needs
2. relatedness needs
1. existence needs

research findings

- fits the empirical research better than Maslow
- all other aspects of this model are essentially similar to Maslow's need hierarchy

MANIFEST NEEDS

MURRAY and McClelland

assumptions

there is no hierarchy among the needs

needs are learned, not instinctive

needs are never completely satisfied

(n ach) achievement

assumes personal responsibility

sets moderately difficult goals, takes risks

desires immediate, concrete feedback

preoccupied with tasks & accomplishments

(n aff) affiliation

desires approval and reassurance from others

wants to have contacts with others

conforms to wishes and norms of others

concerned with feelings and social relationships

(n pow) power (dominance)

desires influence & advise others around them

desires to control one's own environment

has a strong sense of order

TWO-FACTOR THEORY

HERZBERG

assumptions

two different types of factors influence us...hygienes & motivators

only motivating factors lead to satisfaction

hygiene's at best lead to no dissatisfaction

hygiene (extrinsic or context of work)

working conditions

company policies

supervisor

coworkers

salary & benefits

status symbols

motivators (intrinsic or content of work)

responsibility

challenge of work

meaningful work

achievement

accomplishment

growth opportunities

implications

abundant hygiene's do not motivate workers, they only prevent dissatisfaction

enrich jobs to provide motivating, challenging work and high satisfaction

weaknesses

research methodology is flawed

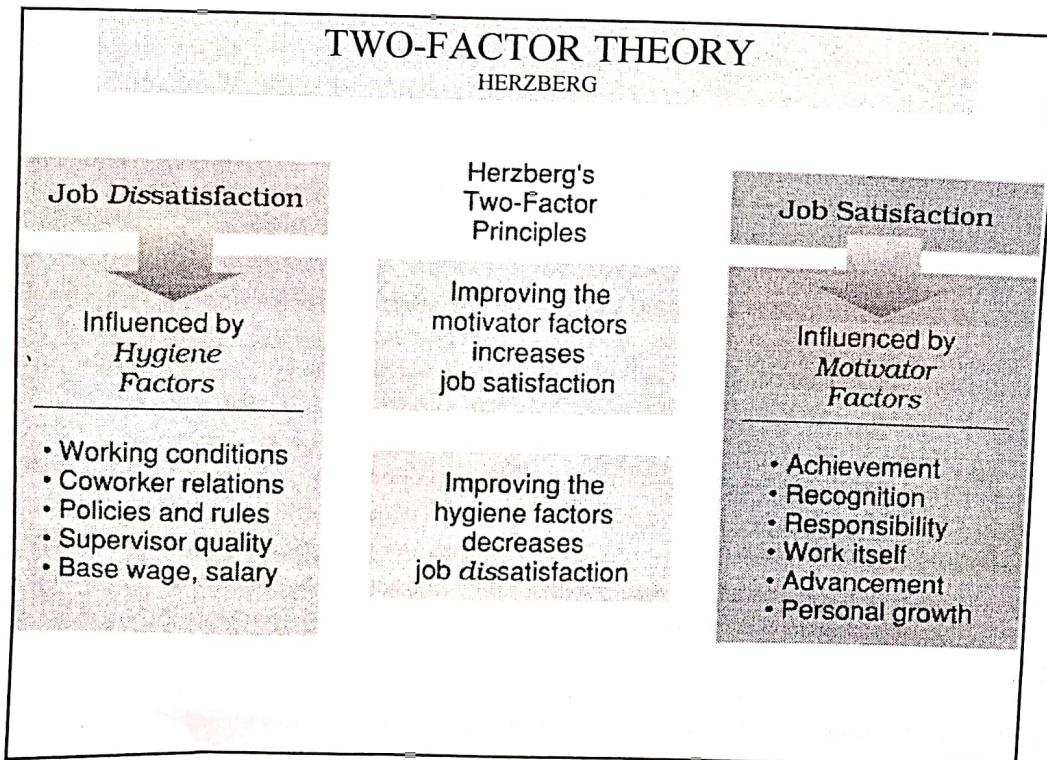
doesn't recognize individual need differences...not everyone wants enriched jobs

overemphasizes job satisfaction

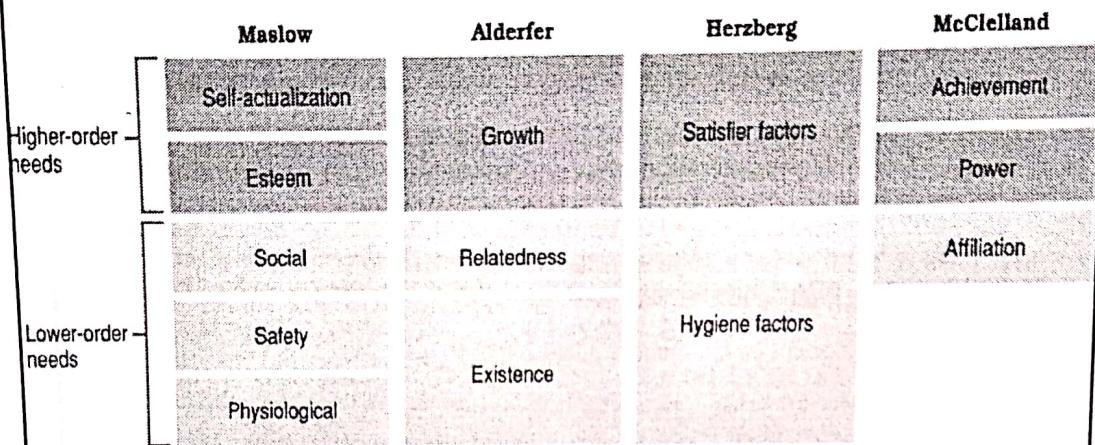
TWO-FACTOR THEORY

HERZBERG

- Two-factor theory
 - Developed by Frederick Herzberg.
 - Hygiene factors:
 - Elements of the job context.
 - Sources of job dissatisfaction.
 - Satisfier factors:
 - Elements of the job content.
 - Sources of job satisfaction and motivation.



Contents theories Summary



Summary: Hierarchy of Needs

Maslow: Argues that lower-order needs must be satisfied before one progresses to higher-order needs.

Herzberg: Hygiene factors must be met if person is not to be dissatisfied. They will not lead to satisfaction, however. Motivators lead to satisfaction.

Alderfer: More than one need can be important at the same time. If a higher-order need is not being met, the desire to satisfy a lower-level need increases.

McClelland: People vary in the types of needs they have. Their motivation and how well they perform in a work situation are related to whether they have a need for achievement, affiliation, or power.

Summary: Impact of the theory

Maslow: Enjoys wide recognition among practising managers. Most managers are familiar with it.

Herzberg: The popularity of giving workers greater responsibility for planning and controlling their work can be attributed to his findings. Shows that more than one need may operate at the same time.

Alderfer: Seen as a more valid version of the needs hierarchy. Tells us that achievers will be motivated by jobs that offer personal responsibility, feedback, and moderate risks.

McClelland: Tells us that high need achievers do not necessarily make good managers, since high achievers are more interested in how they do personally.

Summary: Support and Criticism of Theory

Maslow: Research does not generally validate the theory. In particular, there is little support for the hierarchical nature of needs. Criticized for how data were collected and interpreted.

Herzberg: Not really a theory of motivation. Assumes a link between satisfaction and productivity that was not measured or demonstrated.

Alderfer: Ignores situational variables.

McClelland: Mixed empirical support, but theory is consistent with our knowledge of individual differences among people. Good empirical support, particularly on needs achievement.

PROCESS THEORIES

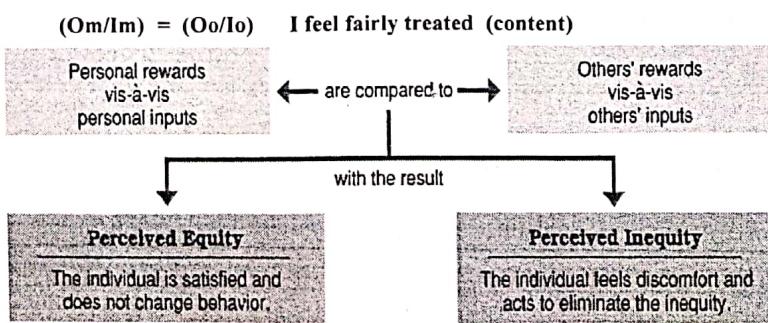
WHAT DIRECTS BEHAVIOR TOWARD A PARTICULAR GOAL?

What is the rational thinking process that we go through to decide whether to do something or not?

Focuses on why people choose certain behavioral options to satisfy their needs and how they evaluate their satisfaction after they have attained their goals.

EQUITY THEORY (ADAMS)

- I compare my work outcomes (O_m) with my perception of what others' outcomes are (O_o). I also compare my work inputs (I_m) with what I think others are contributing to their jobs (I_o).
- If the relative ratio of my outcomes/inputs (O_m/I_m) is similar to the perceived outcomes/inputs (O_o/I_o) of others at work, EQUITY exists and the organization is perceived to be "fair."



POSITIVE & NEGATIVE INEQUITY

- If I believe my outcomes/inputs ratio is more generous than the outcome/input ratio of others, I feel guilty and over-rewarded. This is POSITIVE INEQUITY, and this perception may or may not motivate one to action.

$(Om/Im) > (Oo/Io)$ I feel over-rewarded (guilty)

- If I think my outcomes/inputs ratio is less than the outcome/input ratio of others, I feel frustrated and under-rewarded. This is NEGATIVE INEQUITY, and this perception usually motivates one to act to resolve this “unfair” situation.

$(Om/Im) < (Oo/Io)$ I feel under-rewarded (frustrated)

LIKELY RESPONSES WHEN INEQUITY IS PERCEIVED

- change my outcomes
- change my inputs
- reconsider (or distort) the perceived ratios
- change “other’s” inputs or outcomes
- change comparison “other”
- leave the organization or withdraw

EXPECTANCY-VALENCE THEORY

Victor Vroom

➤ Expectancy theory

- Developed by Victor Vroom.
- Key expectancy theory variables:
 - Expectancy — belief that working hard will result in desired level of performance.
 - Instrumentality — belief that successful performance will be followed by rewards.
 - Valence — value a person assigns to rewards and other work related outcomes.

EXPECTANCY-VALENCE THEORY

Victor Vroom

expectancy ($e \rightarrow I$)

if i put forth effort (e), what's the probability that i can achieve the performance objective (p)?

instrumentality ($I \rightarrow o$)

if i achieve the performance objective (I), what's the probability that a specific outcome (o) or reward will be given to me?

valence (v)

how much value (positive or negative) do i attach to receiving this outcome?

$$\text{motivation (effort)} = (e \rightarrow I) \times \text{sum of } [(I \rightarrow o)i(v)i]$$

EXPECTANCY-VALENCE THEORY

Victor Vroom

➤ Expectancy theory

- Motivation (M), expectancy (E), instrumentality (I), and valence (V) are related to one another in a multiplicative fashion: $M = E \times I \times V$
- If either E, I, or V is low, motivation will be low.

EXPECTANCY-VALENCE THEORY

Victor Vroom

Managerial implications of expectancy theory

To Maximize Expectancy

Make the person feel competent and capable of achieving the desired performance level

- Select workers with ability
- Train workers to use ability
- Support work efforts
- Clarify performance goals

To Maximize Instrumentality

Make the person confident in understanding which rewards and outcomes will follow performance accomplishments

- Clarify psychological contracts
- Communicate performance-outcome possibilities
- Demonstrate what rewards are contingent on performance

To Maximize Valence

Make the person understand the value of various possible rewards and work outcomes

- Identify individual needs
- Adjust rewards to match these needs

COGNITIVE EVALUATION THEORY

DECI

(the "deci argument" or the "insufficient justification" thesis)
more rewards are not necessarily better for motivation: the effects of intrinsic and extrinsic rewards is not additive.

when money is stressed as a work reward, people lose sight of the intrinsic rewards that are inherent in the work itself.

this is particularly pronounced when you tangibly reward "volunteers" or pay much more for work than was expected.

maybe we shouldn't link pay or rewards to work performance...so the intrinsic rewards of the job will continue to be perceived.

weaknesses

original studies done mostly with students
high levels on intrinsic motivation are not diminished by extrinsic rewards
most workers in the "real world" expect to be paid for their efforts
sensitization seems to maintain awareness of intrinsic motivators

GOALSETTING THEORY

LOCKE

assumptions

- workers want clear criteria for work evaluation
- specific goals increase performance
- * difficult goals (when accepted) result in more performance than easy goals
- feedback leads to higher performance than does nonfeedback

findings

- participation increases acceptance of challenging goals
- people will work toward meeting goals if they feel they have control over goal accomplishment
- self-generated (as opposed to externally-provided) feedback leads to the highest goal achievement
- not all cultures respond well to goalsetting (where worker independence and the expectation of individual evaluation is assumed)
- quantitative, short-term goals may not appropriately capture the essential qualities which should be achieved in a given job

USING GOALSETTING

management by objectives (MBO)

four elements

- goal specificity
- participative decision-making
- explicit time period
- feedback

are the objectives reasonable? ...are they accepted?

more difficult goals can be accomplished if participatively set

are significant rewards given for accomplished objectives?

are significant portions of the job ignored because objectives cannot be set and measured?

does the culture accept the idea of individual evaluation and reward?

REINFORCEMENT THEORIES

HOW IS GOOD BEHAVIOR SUSTAINED OVER TIME?

The role of rewards as they cause behavior to change or remain the same over time.

Assumes that:

- Behavior that results in rewarding consequences is likely to be repeated, whereas behavior that results in punishing consequences is less likely to be repeated.

REINFORCEMENT THEORY

(SKINNER)

Assumptions:

- The consequences of past actions will influence our future actions
- We repeat behaviors which lead to rewards that are satisfying
- We reduce behaviors which go unrewarded or lead to punishment thus, tie valued rewards to desired behaviors in the workplace
- It is better to positively reinforce behavior than to use punishment

Types of reinforcement

positive

avoidance (negative)

extinction

punishment

SCHEDULES OF REINFORCEMENT

continuous (every time)

new behaviors are quickly learned, but also stop quickly when unrewarded

intermittent (not every time)

fixed-ratio

fixed-interval

variable-ratio

variable-interval

takes longer to learn new behaviors, but behavior is sustained over a longer period of time

5 MOST EFFECTIVE REINFORCERS

WARREN

- money (tangible compensation)
- recognition (publicity, praise)
- freedom (autonomy, discretion)
- opportunities to improve (grow, develop, train)
- influence & power (promotion)

concerns with reinforcers

- are rewards perceived as important and desirable?
- can rewards be given incrementally and flexibly?
- can rewards be given frequently, or do they "wear out?"
- are workers likely to feel manipulated?
- will giving extrinsic rewards erode intrinsic values?

Summary and Implications

1. What is Motivation?

- Motivation is the process that accounts for an individual's intensity, direction, and persistence of effort toward reaching the goal.

2. How do needs motivate people?

- All needs theories of motivation propose a similar idea: individuals have needs that, when unsatisfied, will result in motivation.

Summary and Implications

3. Are there other ways to motivate people?

- Process theories focus on the broader picture of how someone can set about motivating another individual. Process theories include expectancy theory and goal-setting theory (and its application, management by objectives).

4. Do equity and fairness matter?

- Individuals look for fairness in the reward system. Rewards should be perceived by employees as related to the inputs they bring to the job.

Summary and Implications

5. How can rewards and job design motivate employees?

- Recognition helps employees feel that they matter. Employers can use variable-pay programs to reward performance. Employers can use job design to motivate employees. Jobs that have variety, autonomy, feedback, and similar complex task characteristics tend to be more motivating for employees.

6. What kinds of mistakes are made in reward systems?

- Often reward systems do not reward the performance that is expected. Also, reward systems sometimes do not recognize that rewards are culture-bound.

Summary and Implications

- What we know about motivating employees in organizations:
 - Recognize individual differences.
 - Employees have different needs.
 - Don't treat them all alike.
 - Spend the time necessary to understand what's important to each employee.
 - Use goals and feedback.
 - Allow employees to participate in decisions that affect them.
 - Link rewards to performance.
 - Check the system for equity.

Thank You