

FUNDAMENTALS OF MANAGEMENT

MID II

Motivation:

The process by which a person's efforts are energized, directed, and sustained toward attaining a goal.

Motivation Theories:

Abraham Maslow's Hierarchy Needs:

In 1954 Maslow, Behavioral Scientist develop hierarchy of needs to explain how people meets their needs through work. This theory describes needs that begin with the most basic requirements of life. Therefore, Food, Shelter, and basic comforts and progresses through stages of growth as people strives to fill high level of needs. Maslow identified five levels of needs that motivate people.

1. Physiological Needs:

- A person's needs for food, drink, shelter, sex, and other physical requirements.
- People at this level are motivated by actions that provide the basic necessities of life.

For Example:

Salary, Compensation.

2. Safety Needs:

- A person's needs for security and protection from physical and emotional harm, as well as assurance that physical needs will continue to be met.
- People at this level look for ways to ensure that they are safe from physical & emotional harm.

For Example:

Health, Safety, Pension, Security, Clean Environment

3. Social Needs:

- A person's needs for affection, belongingness, acceptance, and friendship.
- People at this level are motivated by the desire for acceptance and belonging to social group.

For Example:

Friends at Work

4. Self-Esteem Needs:

- A person's needs for internal esteem factors such as self-respect, autonomy, and achievement and external esteem factors such as status, recognition, and attention.
- People at this level are motivated by recognition for their achievement.

For Example:

Recognition

5. Self-Actualization Needs:

- A person's needs for growth, achieving one's potential, and self-fulfillment; the drive to become what one is capable of becoming.
- When people are confident with their basic needs have been met, they become motivated by the opportunities that are creative & fulfill their own potential.

For Example:

Challenging Assignments

Frederick Herzberg's Two Factor Theory 1959 (Motivation-Hygiene Theory):

Begin with the study on job attitudes conducted at Pittsburg University. He begins the study with believing that the causes of job satisfaction would be the opposite of job dissatisfaction.

The Satisfaction (Motivation Factors):

People motivate by changing the nature of the work so that people are challenged to develop their talents and fulfill their potential.

The Dissatisfaction (Hygiene Factors):

People are motivated to the extent that they allow people to avoid unpleasant experiences.

For Example: As long as employees continue to perform their assignments at an acceptance level, they continue to receive a pay check.

Hygiene Factors provide only short term benefits to employees whereas factors related to motivation lead long term job satisfaction.

A result of Herzberg Theory is the concept of the job enrichment in which the significance of the task in a job is increased to provide challenging work & growth opportunities.

Douglas McGregor Theory X & Y:

Theory X managers have worldwide view of employees as lazy & interested in work and needing constant direction to complete their assignments. Theory X Managers believed that employees don't want to take responsibilities and interested in job security above all else. Theory X Managers are autocratic utilizing a top-down management style. In contrast Theory Y Managers believed that given the opportunities, people will seek out challenging work and additional responsibility if the work is satisfying. Theory Y Managers are more likely to invite participation in the decision making process from their subordinate.

David McClelland Acquired Needs Theory(1961):

This Theory manifests that experiences acquired throughout life, motivate people in one of these three areas.

1) Achievement:

Those motivated by achievement take risks to achieve their goals, responds to frequent feedback and generally preferred to work as sole contributors or with others interested in achieving at the same level.

2) Affiliation:

Individual who needs affiliation look for acceptance in the work group and need constant interaction with their coworkers and customers.

3) Power:

These individual are looking for either personal power or institutional power. Those interested in institutional power are often effective managers who are motivated by coordinating workgroups.

J. Stacey Adams Equity Theory(1963):

The basic concept of the Equity theory, is that people are constantly measuring into their work against what they gain from work. If their perception is that it is a fair trade, they are motivated to continue at the same level. If it's not, they are demotivated and lose interest.

Victor Vroom Expectancy Theory(1964):

Vroom uses the following terms to explain expectancy theory.

1) Expectancy:

According to Vroom's Theory motivation starts within an assessment by individual about their capabilities to successfully achieve an assignment.

2) Instrumentality:

If individual believe they are capable of completing an assignment. They next ask "what's in it for me?", that is will their effort to complete the work will be the instrument for obtaining a reward for the work.

3) Valance:

This is the result of calculation as to whether the possible reward is worth the effort required to successfully complete the task.

ERG Theory(Existence, Relatedness, Growth):

The ERG theories developed by Clayton Alderfer Based on maslow's hierarchy of needs as well alderfer identifies three types of needs.

1) Existence:

This relates to Maslow's definition of physiological and safety need needs as those are required to maintain basic life needs.

2) Relatedness:

This is similar to Maslow's definition of social needs, and esteem we find from the others.

3) Growth:

This is based on self-esteem and self-actualization concepts Maslow's described.

Organizational Structures:

Functional Structures:

The functional organizational structure is represented by traditional Pyramid Organizational chart. It is hierarchical structure in which communication move from top-down and bottom-up. These structures are more formal and rigid and appropriate for business with a single product line, where specialization is an advantage. In this structure, each function area report to the CEO. Functional organizations are generally very centralized.

Product Based Structures:

A product based organizational structure also known as customer oriented structure. It is organized by product line and is appropriate when the company has well defined product line that are clearly separate from each other. In this structure each product line report to the CEO. These structures lend themselves to either centralized or decentralized decision making processes.

Geographic Structures:

In a geographic organizational structure, executives of regional area are responsible for all the business function in their assigned region, The regional executive reports to the CEO. Structuring organization in this way where it's appropriate when these are common requirement in the region that are different from the requirement in other region. Geographic Structures are decentralized with most decision being made at the low level.

Divisional Structures:

A divisional organizational structure have characteristics similar to that of geographic structures, but the divisions may be based on criteria other than geography such as market or industry.

Matrix Structures:

In a matrix organizational structure, employees report to two managers generally one manager is responsible.

For Example: The VP of marketing and production manager for a specific product would both supervised the marketing coordinator.

A matrix organization advantageous because. It encourages cooperation and communication. It requires a high level of trust from employees at all levels to ensure that contradictory instructions are minimized.

Seamless Structures:

It is a structure in which judicial hierarchy don't exist. It's a horizontal organization connected by network instead of separated by the boundary that characterize other organizational structures. The purpose of this is structure is to enhance communication and creativity. Seamless organizations would not be possible without the technology that allows employees to connect with each other via email and the Internet from anywhere in the world. This technology enables employees to meet with co-workers who have specialized knowledge without the expense.