

Unit 3

Motivating Employees



Motivation

- Motivation is a human psychological characteristic that contributes to a person's degree of commitment.
- ➤ It includes the factors that cause, channel and sustain human behavior in a particular committed direction.
- Motivating is the management process of influencing people's behavior based on the knowledge of 'what makes people tick'.



Early Theories of Motivation

- > Traditional Model Frederick Taylor
- > Work is *inherently distasteful* to most people.
- > What they *do is less important* than what they earn for doing it.
- Few want or can handle work that requires creativity, self-direction or self control.
- > Human Relations Model Elton Mayo
- > People want to feel useful and important.
- > People want to belong and to be recognized as individuals.
- > These needs are more important than money in motivating people to work.



Early Theories of Motivation

Human Resources Model — Douglas McGregor X X McGregor identified two different sets of assumptions about employees.

Theory X

- People have an *inherent dislike of work*.
- ➤ Work is of *secondary importance* and managers must push employees to work.

Theory Y

- Work is as natural as play or rest.
- > People derive a *great deal of satisfaction* from work.
- ➤ People have the *capacity to accept and even seek responsibility*.



Comparison of Assumptions

Theory X	Theory Y
1. Inhernet dislike for work.	Work is natural like rest or play.
Unambitious and prefer to be directed by others.	Ambitious and capable of directing their own behaviour.
3. Avoid responsibility.	Accept and seek responsibility under proper conditions.
 Lack creativity and resist change. 	Creativity widely spread.
 Focus on lower-level (physiological and safety) needs to motivate workers. 	Both lower-level and higher-order needs like social, esteem and self-actualisation are sources of motivation.
 External control and close supervision required to achieve organisational objectives. 	Self-direction and self-control.
 Centralisation of authority and autocratic leadership. 	Decentralisation and participation in decision-making. Democratic leadership.
8. People lack self-motivation.	People are self-motivated.



Contemporary Theories of Motivation

This can be broadly classified as content theories and process theories.

Content Theories

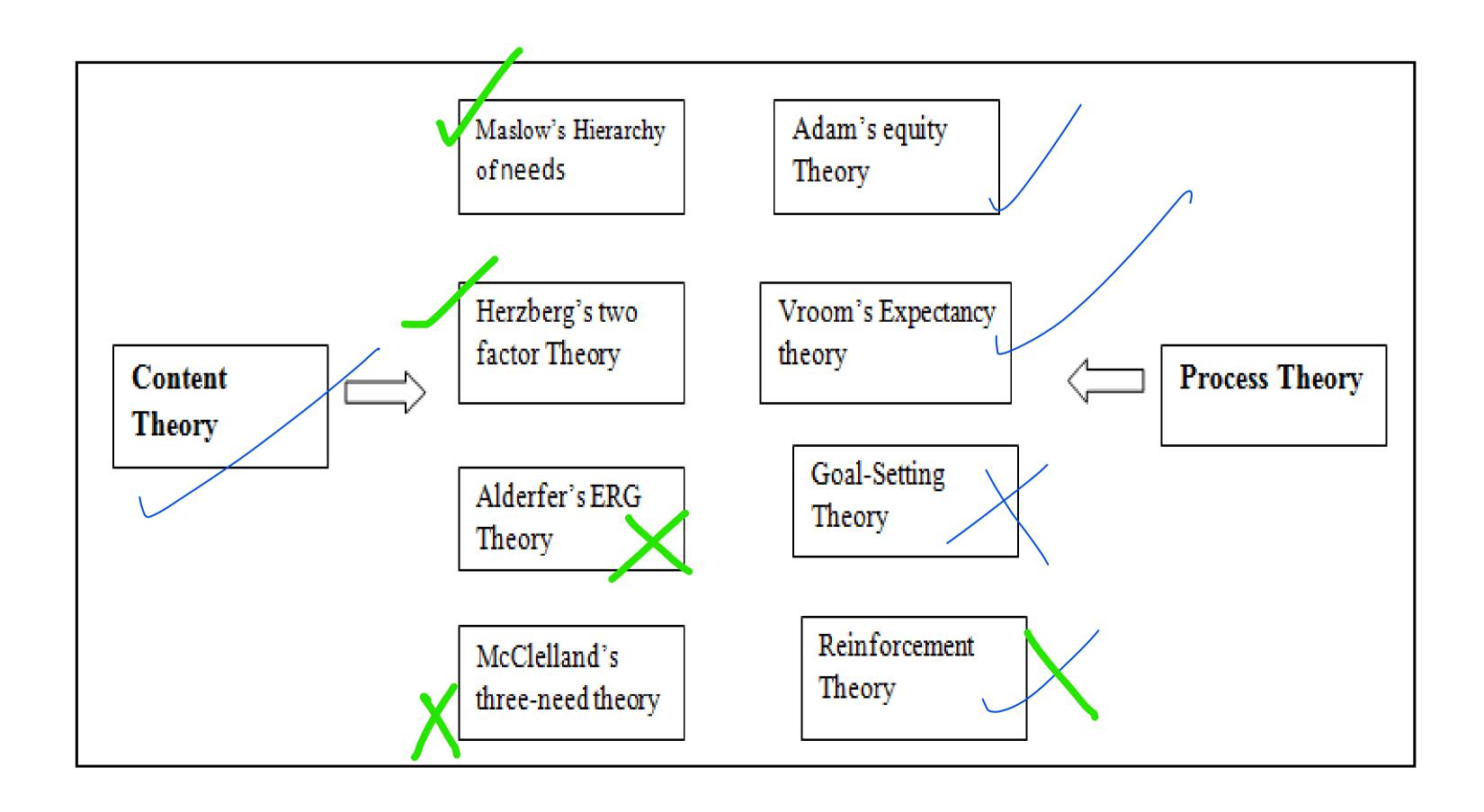
These are based on human needs.

Process Theories

These are based on the assumption that behavior is determined by expected outcomes.



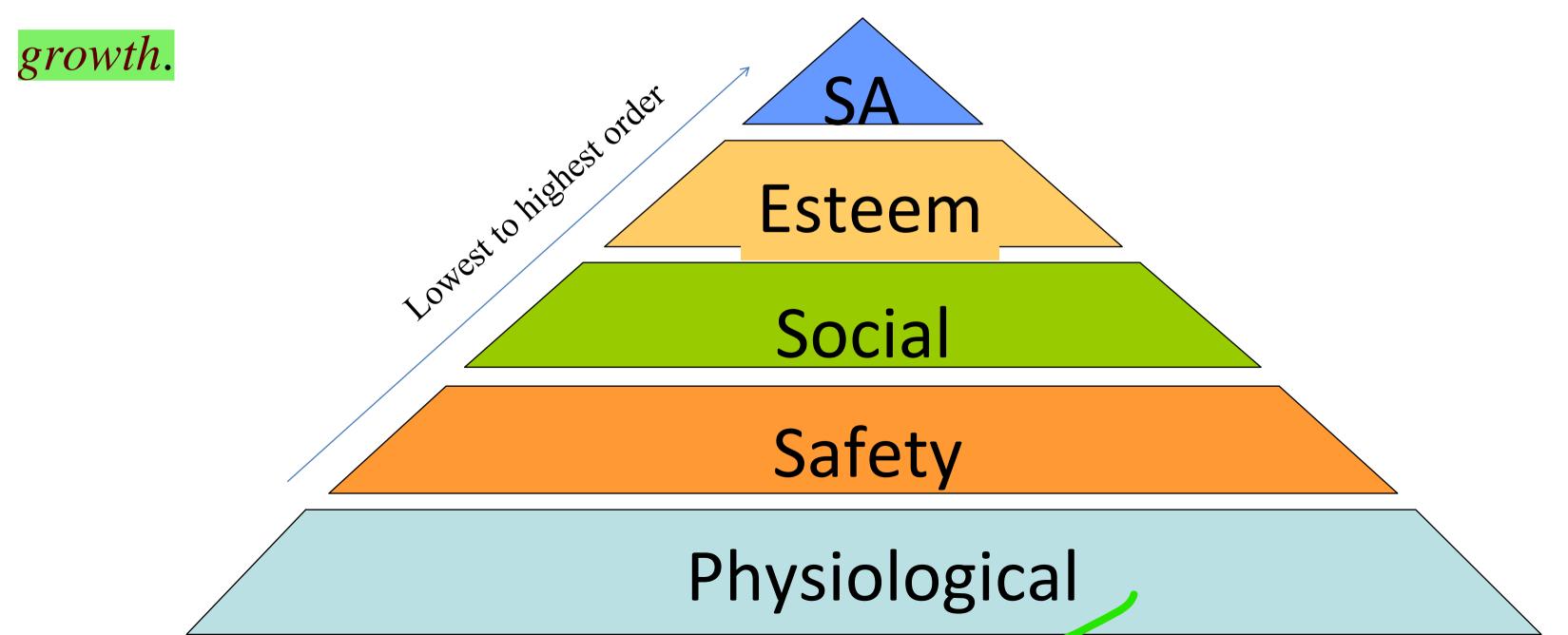
Contemporary Theories of Motivation





Content Theories-Maslow's Hierarchy of Needs

- Maslow's hierarchy of needs is a theory of motivation and personality developed by the psychologist Abraham H. Maslow (1908-1970).
- > This explains human behavior in terms of basic requirements for survival and





Maslow's Hierarchy of Needs

- > Physiological Needs: Air, water, food, shelter & sex
- > Safety Needs: Job & security
- Social Needs: Relations with friends, family & group acceptance
- > Esteem Needs
 - a. Internal needs Self-esteem such as self respect and achievement.
 - b. External Needs: social status or recognition, reputation, prestige
- > Self Actualization Needs: The desire to become everything one is capable (potential) of becoming



Maslow's Hierarchy of Needs...

How does Maslow's theory explain motivation? Managers using Maslow's hierarchy to motivate employees do things to satisfy employees' needs. But the theory also says that once a need is substantially satisfied, an individual is no longer motivated to satisfy that need. Therefore, to motivate someone, you need to understand what need level that person is on in the hierarchy and focus on satisfying needs at or above that level.

Maslow's needs theory was widely recognized during the 1960s and 1970s, especially among practicing managers, probably because it was intuitively logical and easy to understand. But Maslow provided no empirical support for his theory, and several studies that sought to validate it could not.¹⁰



ERG motivation theory Alderfer

Existence Needs

Include *all material and physiological desires* (e.g., food, water, air, clothing, safety, physical love and affection). *Maslow's first two levels*.

Relatedness Needs

Encompass social and external esteem; relationships with significant others like family, friends, co-workers and employers. This also means to be recognized and feel secure as part of a group or family. Maslow's third and fourth levels.

Growth Needs

Internal esteem and self actualization; these impel a person to make creative or productive effects on himself and the environment (e.g., to progress toward one's ideal self). Maslow's fourth and fifth levels. This includes desires to be creative and productive and to complete meaningful tasks.



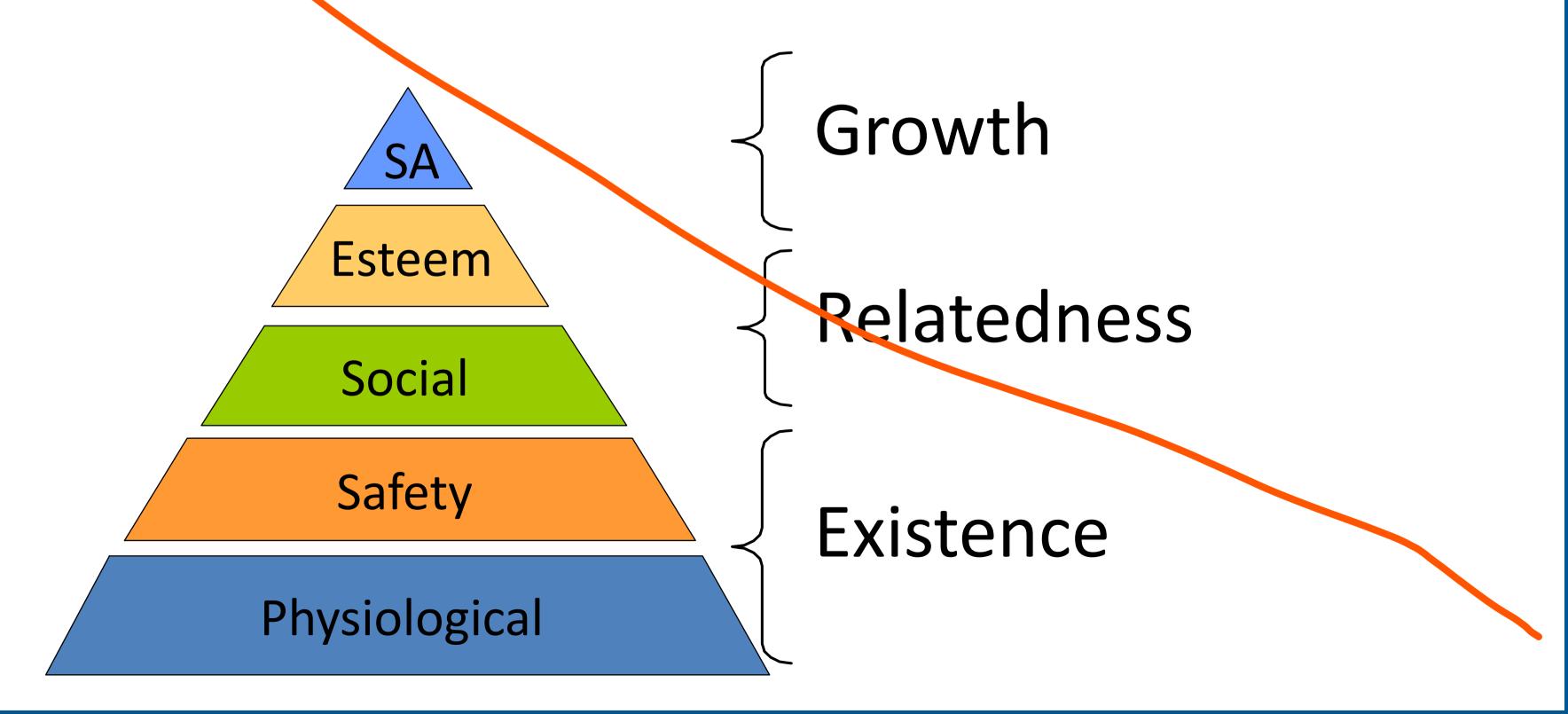
ERG motivation theory Alderfer

- Even though the priority of these needs differ from person to person, Alberger's ERG theory prioritises in terms of the categories' concreteness.
- Existence needs are the *most concrete* and easiest to verify.
- ➤ **Relatedness needs** are *less concrete* than existence needs, which depend on a relationship between two or more people.
- ➤ **Growth needs** are the *least concrete* in that their specific objectives depend on the uniqueness of each person.



Alderfer's ERG Theory

ERG theory is a theory of motivation that says people strive to meet a hierarchy of *existence*, *relatedness and growth*.





McClelland's Need Theory

- Need for Achievement (nAch): This is the need for *challenge*, *for* personal accomplishment and success in competitive situations.
- Achievers *avoid low risk situations* because easily attained success is not a genuine achievement.
- They need *regular feedback* in order to monitor the progress.
- > Prefer to work alone or with other high achievers



McClelland's Need Theory...

- Need for Power (nPow): This is the need to dominate, *influence and control people*.
- > Personal power: for people who want to direct others, it is often perceived as undesirable.
- Instituitional power: want to organise the efforts of others to further the goals of the organisation



McClelland's Need Theory...

- Need for Affiliation (nAff): This is the need that concerns an individual to establish and maintain warm, close & intimate relationships with other people.
- Affiliation need *harmonious relationship with others*. Tend to *confirm the norms of*their work group. They prefer work that provides significant personal interaction.



Herzberg's Two Factor Theory

- From research, Herzberg concluded that job dissatisfaction and job satisfaction arose from two separate sets of factors (Hygiene & Motivation).
- > Hygiene Factors (Dissatisfiers): These will not encourage employees to work harder but they will cause them to become demotivated if they are not present.
- They include salary, working conditions and company policy all of which affected the context in which work was conducted. Positive ratings for these factors did not lead to job satisfaction but merely to the absence of dissatisfaction. (Ex: Extrinsic Employee's feelings)
- ➤ Motivators (Satisfiers): Which can encourage employees to work harder. They include achievement, recognition, responsibility and advancement all related to the job content and the rewards of work performance. Positive ratings for these factors lead to job satisfaction. (Ex: Intrinsic Job enrichment)



Motivation-Hygiene Theory

- Company policy & administration
- Supervision
- Interpersonal relations
- Working conditions
- Salary
- Status
- Security

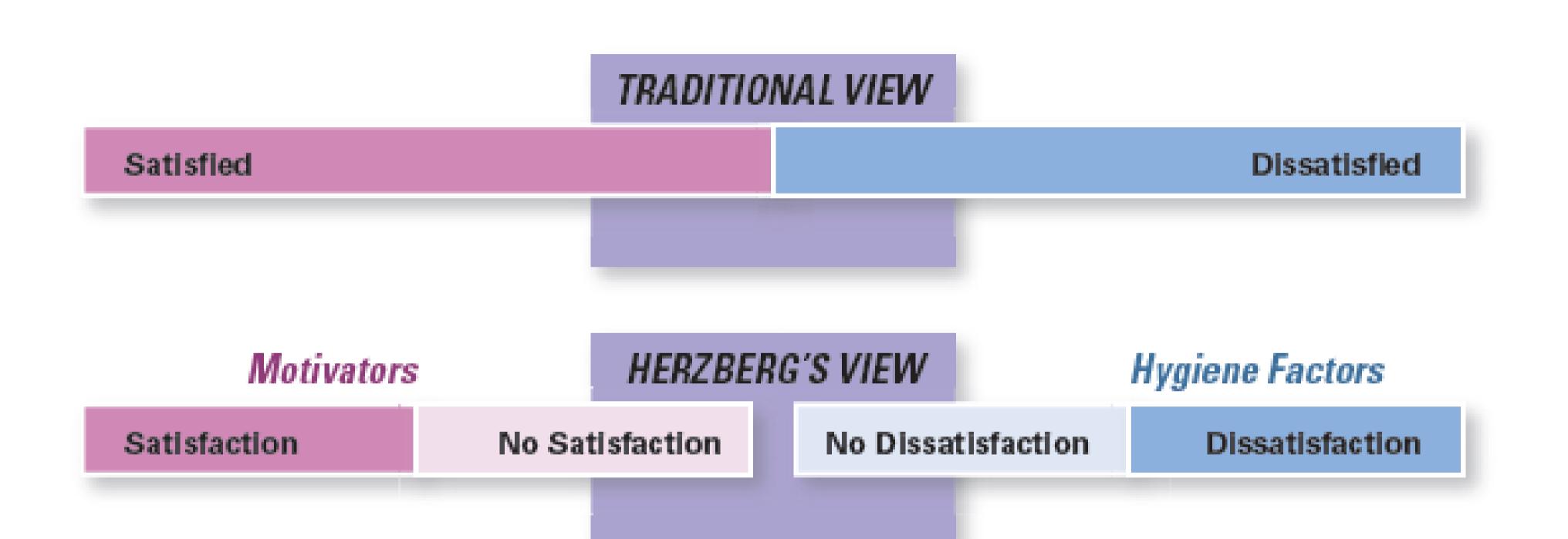
Hygiene factors avoid job dissatisfaction

Motivation factors increase job satisfaction

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement
- Growth



Motivation-Hygiene Theory



Contrasting views of satisfaction and dissatisfaction



Motivation-Hygiene Theory ...

People with a high need for achievement are striving for personal achievement rather than for the trappings and rewards of success. They have a desire to do something better or more efficiently than it's been done before. 17 They prefer jobs that offer personal responsibility for finding solutions to problems, in which they can receive rapid and unambiguous feedback on their performance in order to tell whether they're improving, and in which they can set moderately challenging goals. High achievers avoid what they perceive to be very easy or very difficult tasks. Also, a high need to achieve doesn't necessarily lead to being a good manager, especially in large organizations. That's because high achievers focus on their own accomplishments, while good managers emphasize helping others accomplish their goals. 18 McClelland showed that employees can be trained to stimulate their achievement need by being in situations where they have personal responsibility, feedback, and moderate risks. 19

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Process Theories-Adam's Equity Theory

- Equity theory is based on the assumption that a major factor in job motivation is the individual's evaluation of the equity or fairness of the reward received.
- Equity can be defined as a ratio between the individual's job inputs (such as effort or skill) and job rewards (such as pay or promotion).
- According to equity theory, individuals are motivated when they experience satisfaction with what they receive from an effort in proportion to the effort they apply.



Adam's Equity Theory

➤ People judge the equity of their rewards by comparing them either to the rewards others are receiving for similar input or to some other effort/reward ratio that occurs to them.

Ratio Comparison Perception

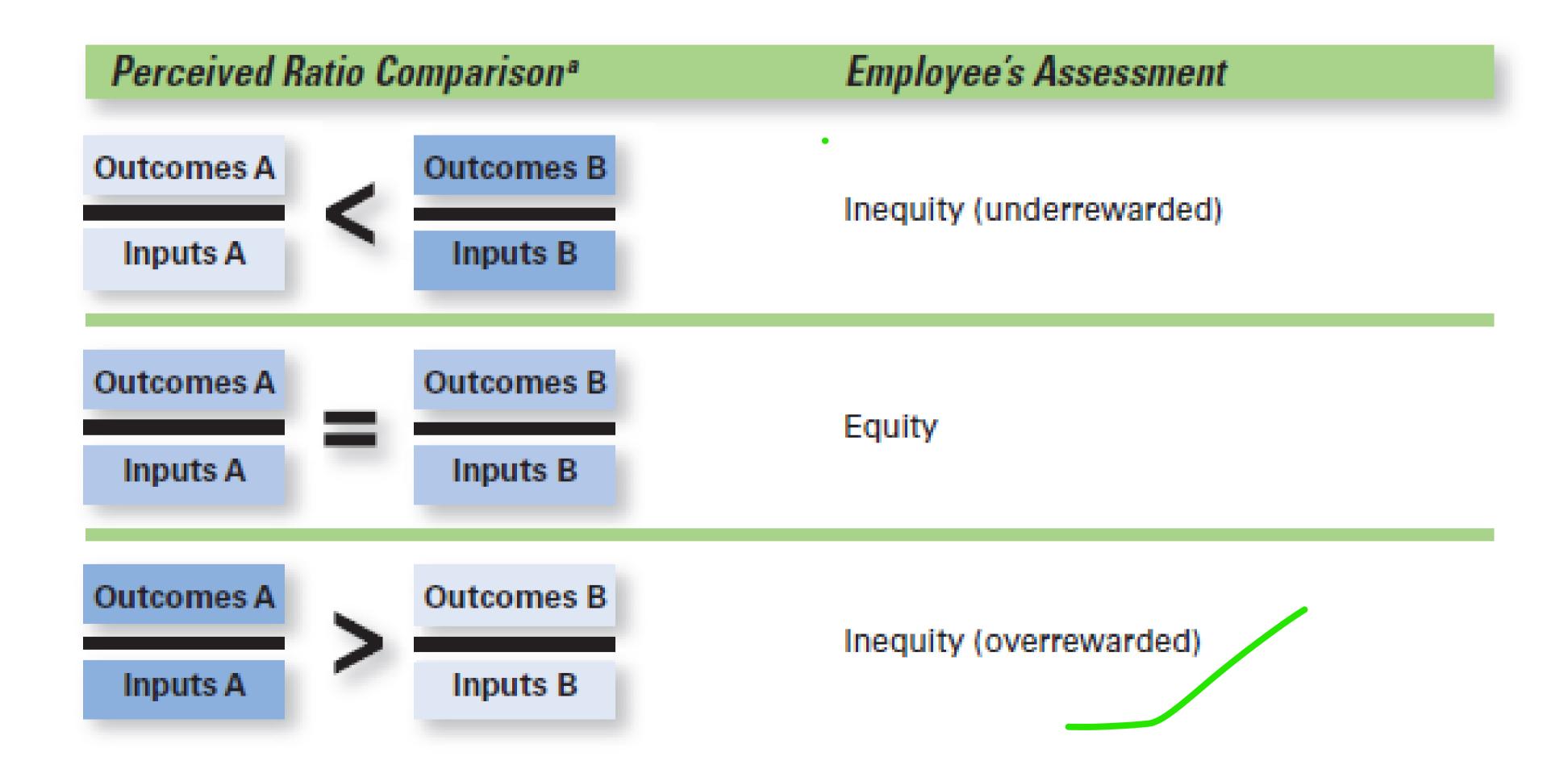
O/I a < O/I b Under-rewarded (Equity Tension)

 \triangleright O/I a = O/I b Equity

➤ O/I a > O/I b Over-rewarded (Equity Tension)



Adam's Equity Theory...



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Victor Vroom's Expectancy Theory

Expectancy theory argues that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

The theory focuses on three components and relationships:

Components VET

- > Valence: Value or importance placed on a particular reward.
- **Expectancy:** Belief that effort leads to performance.
- > Instrumentality: Belief that performance is related to rewards.



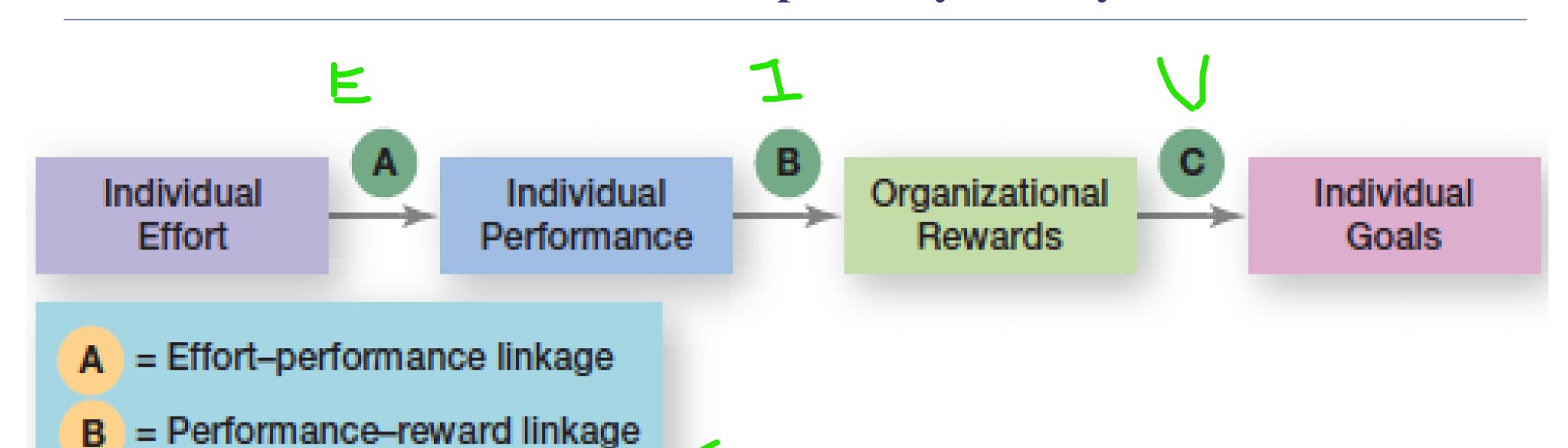
Victor Vroom's Expectancy Theory

Relationships

- •Effort-performance relationship: The probability perceived by the individual that exerting a given amount of effort will lead to performance.
- **Performance-reward relationship:** The degree to which the individual *believes that* performing at a particular level he or she will attain the desired outcome or expectations of his employer.
 - Rewards-personal goals relationship: The degree to which organizational rewards satisfy individual personal goals or needs and the attractiveness is of those potential rewards for the individual.



Victor Vroom's Expectancy Theory...



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= Attractiveness of reward



Victor Vroom's Expectancy Theory

Effort

Perceived effort -

performance probability

"If I work hard, will I get the job done?"

Performance

Perceived performance - reward probability

"What rewards will I get when the job is well done?"

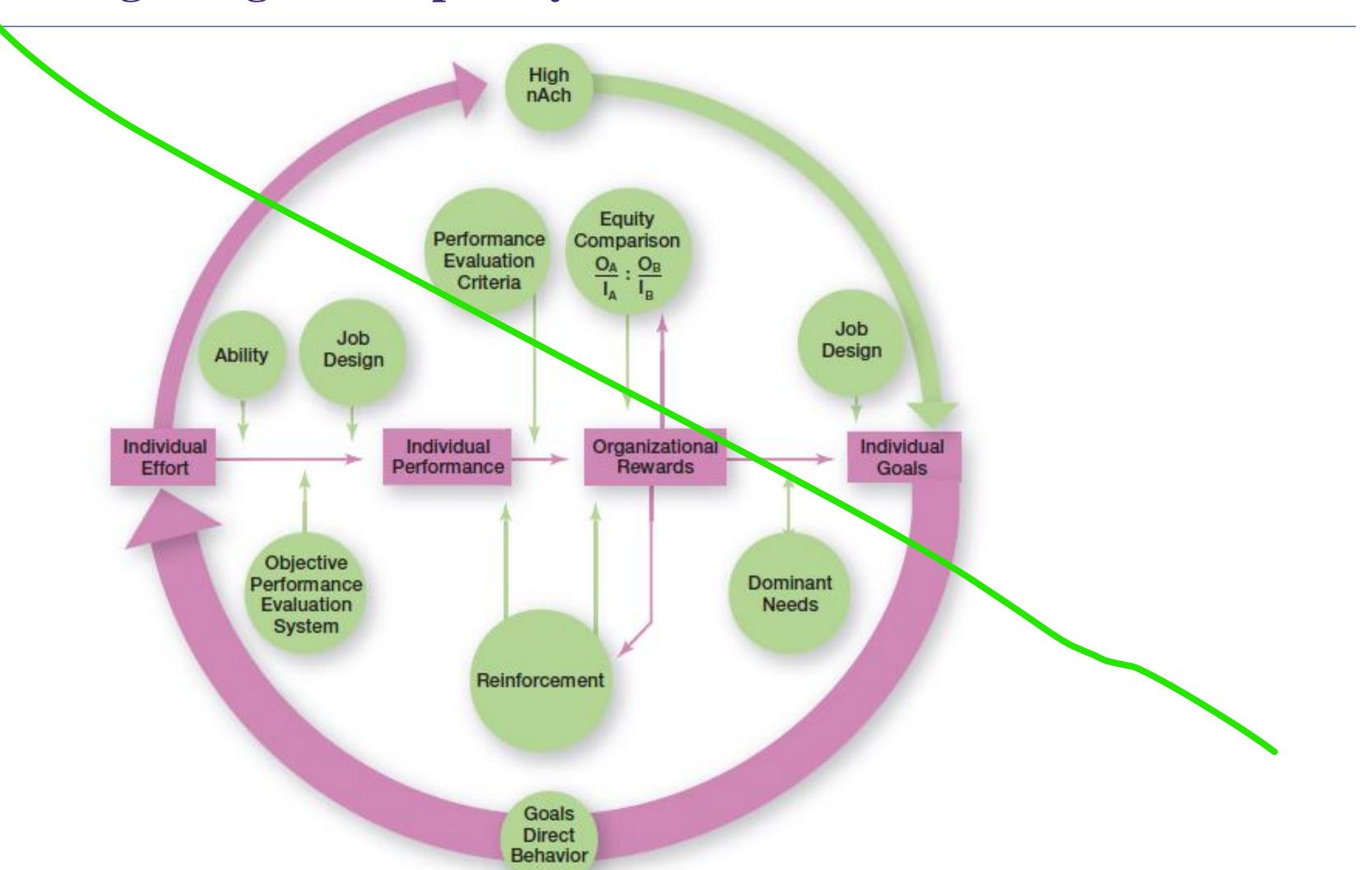
Reward

Perceived value of reward

"What rewards do I value?"



Integrating contemporary theories of motivation



The Scenario:

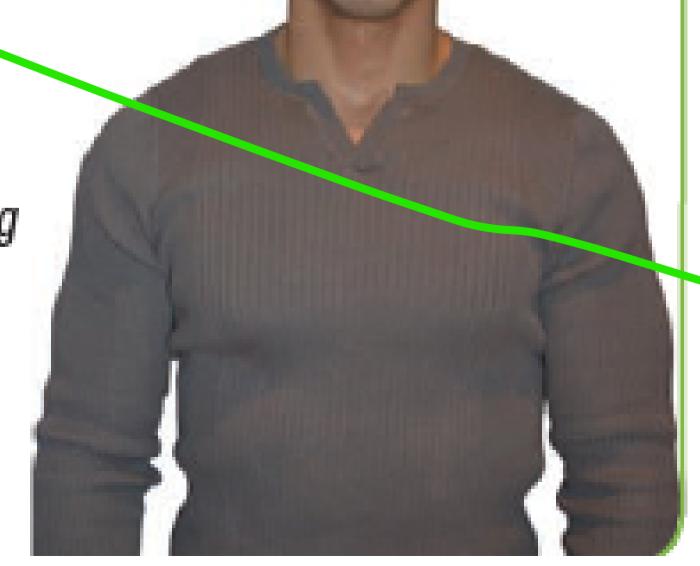
Sam Grisham is the plant manager at a bathroom vanity manufacturer.

When business is brisk, employees have to work overtime to meet customers' demands. Aside from a few people, he has a horrible time getting employees to work overtime. "I practically have to beg for volunteers."

What suggestions do you have for Sam?

As plant manager, I would rotate the overtime for all employees. During busy times, everyone must chip in. I would also suggest implementing mandatory overtime for employees according to seniority in order to keep it fair.

Oscar Valencia Manufacturing Manager





CASE STUDY –Individualised rewards

Organizations have historically assumed that "one size fits all" when it comes to allocating rewards. Managers typically assumed that everyone wants more money and more vacation time. But as organizations become less bureaucratic and more capable of differentiating rewards, managers will be encouraged to differentiate rewards among employees as well as for individual employees over time.

Organizations control a vast number of potential rewards that employees might find appealing. A partial list would include increased base pay, bonuses, shortened workweeks, extended vacations, paid sabbaticals, flexible work hours, part-time employment, guaranteed job security, increased pension contributions, college tuition reimbursement, personal days off, help in purchasing a home, recognition awards, paid club memberships, and work-from-home options. In the future, most organizations will structure individual reward packages in ways that will maximize employee motivation.

TALK ABOUT IT 1: What are the positive aspects of having individualized rewards? (Think in terms of employees and managers.)

TALK ABOUT IT 2: What are the negative aspects of having individualized rewards? (Again, think in terms of employees and managers.)

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Behavior Modification-Reinforcement Theory

- > Behavior modification uses reinforcement theory to *change human behavior*.
- > Theory that behaviour is a function of its consequences
- Reinforcement theory, associated with the psychologist *B F Skinner* and others, shows how the *consequences of past behavior affect future actions* in a cyclical learning process. This process may be expressed as follows:

Stimulus -> Response -> Consequences -> Future Response

Types of Reinforcements:

Positive Reinforcement Negative Reinforcement

Punishment Extinction



Designing motivating jobs

job design

The way tasks are combined to form complete lobs

job scope

The number of different tasks required in a job and the frequency with which those tasks are repeated

job enlargement

The horizontal expansion of a job by increasing job scope

job enrichment

The vertical expansion of a job by adding planning and evaluating responsibilities

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Reinforcement Theory....

Manager praises the employee

Positive Reinforcement

Positive behavior followed by positive consequences

Negative Reinforcement

Positive behavior followed by removal of negative consequences

Manager stops nagging the employee

Manager demotes the employee

Punishment

Negative behavior fellowed by negative consequences

Extinction

 Negative behavior followed by removal of positive consequences

Manager ignores the behavior

Managers as Leaders



Leadership

- Leadership is the *art or process of influencing people* so that they *will* strive willingly & enthusiastically towards the achievement of the organizational vision and goal.
- It is also defined as the *process of directing and influencing the task* related activities of group members.





Approaches to Leadership-Trait Approach

- Trait theory assumes that leaders are born, not made; that is, they share certain inborn personality traits.
- This approach to leadership differentiates leaders from non-leaders by *focusing on personal* qualities and characteristics.

Certain Traits:

- Physical Qualities: Health, Endurance
- Personal Attributes: Enthusiasm, Ability to Inspire, Persuasiveness, Forcefulness, Tact
- > Character Attributes: Integrity, Humanism, Self Discipline, Stability
- > Intellectual Qualities: Mental Capacity, Ability to Teach, Scientific Approach to problems



Behavioral Approach

- Theories proposing that *specific behaviors differentiate leaders from nonleaders*.
- Leaders could be taught to be effective if required behavioral patterns could be implanted in individuals.

There are two aspects of leadership behavior:

Leadership functions and Leadership styles

HIGH	DIRECTING	COACHING
Task oriented	DELEGATING	SUPPORTING

LOW

Relationship oriented

HIGH



Continuum of Leadership Behavior

- A continuum of leadership style extends from complete retention of power by the manager to complete freedom for subordinates.
- Autocratic (Telling): Manager makes decisions with little or no involvement of nonmanagers.
- Diplomatic (Selling): Manager makes decisions without consultation but tries to persuade nonmanagers to accept them.
- Consultative (Consulting): Managers obtain nonmanagers' ideas and uses them in decision making.
- Participative (Joining): Manager involves nonmanagers heavily in the decision making and may even delegate it to them completely.



The Ohio State Studies

➤ Initiating Structure

- This refers to the extent to which a leader is likely to define and structure his or her role and those of employees in the search for goal attainment.
- The leader characterized as high in initiating structure could be described as someone who assigns group members to particular tasks, expects workers to maintain definite standards of performance and emphasized the meeting of deadlines.

Consideration

- This is described as the extent to which a person is likely to have job relationships that are characterized by mutual trust, respect for employees' ideas and regard for their feelings.
- A leader high in consideration could be described as one who helps *employees* with personal problems, is friendly and approachable and treats all employees as equals.



University of Michigan Studies

- Employee-oriented leaders were associated with higher group productivity and higher job satisfaction.
- ➤ **Production-oriented leaders** tended to be associated with *low group* productivity and lower job satisfaction.

Although the *Michigan studies* emphasized *employee-oriented leadership* (or consideration) over production oriented leadership (or initiating structure), the *Ohio State studies* garnered more *research attention* and suggested that both consideration and initiating structure are important to effective leadership.

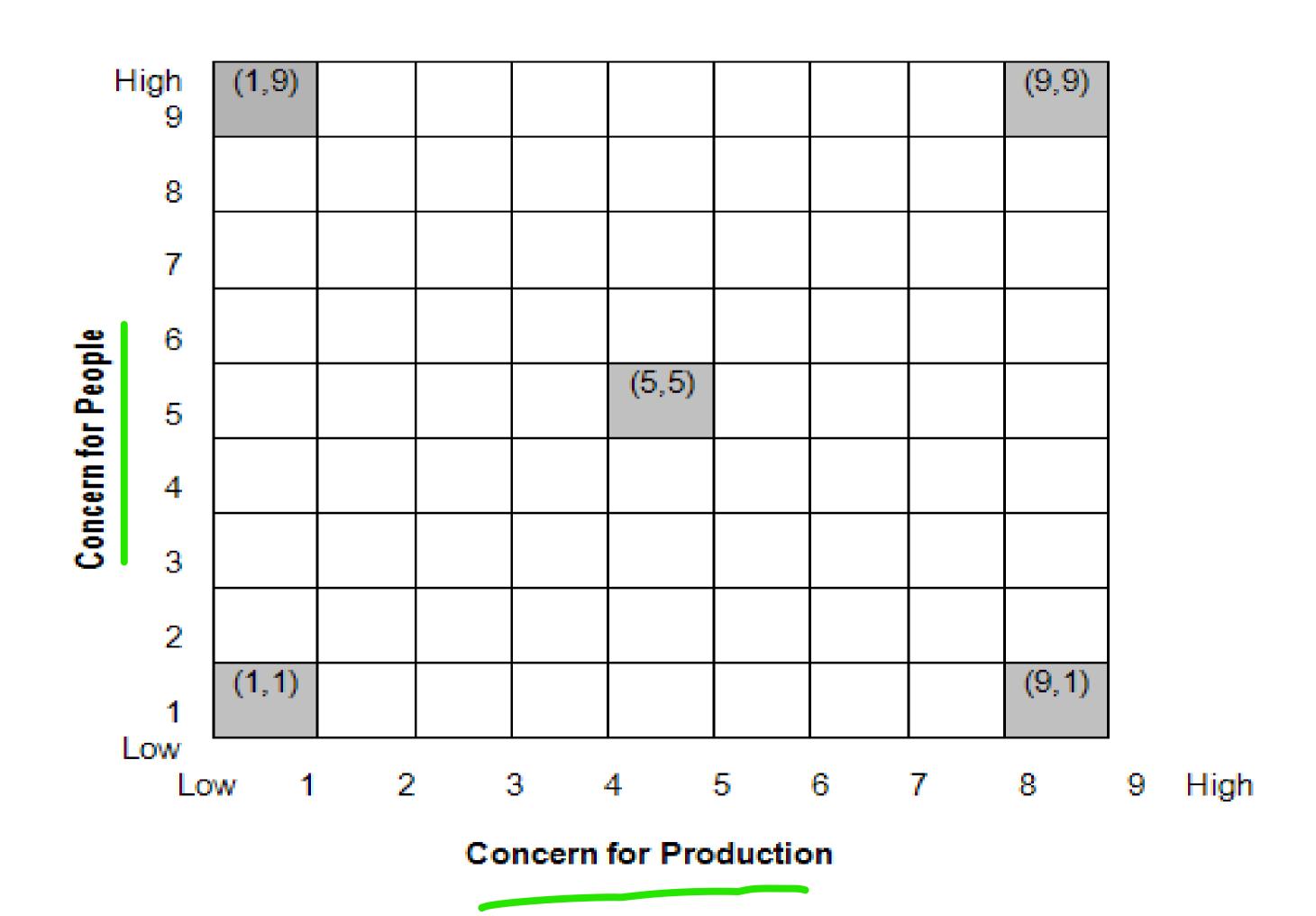


Blake and Mouton's Managerial Grid

- Robert Blake and Jane Mouton proposed a graphic portrayal of leadership styles through a managerial grid (sometimes called leadership grid).
- The grid depicted two dimensions of leader behavior, concern for people (accommodating people's needs and giving them priority) on y-axis and concern for production (keeping tight schedules) on x-axis, with each dimension ranging from low (1) to high (9), thus creating 81 different positions in which the leader's style may fall.



Blake and Mouton's Managerial Grid





Blake and Mouton's Managerial Grid

- > (1,9) least concern for task and utmost concern for people (laissez faire).
- > (9,1) least concern for people and utmost concern for task (authority).
- > (1,1) least concern for people and least concern for task.
- \gt (5,5) equal concern for task and people.
- > (9,9) highest concern for both people and task.



Contingency Approach

This approach focuses on the following factors:

- > Task requirements
- > Peers' expectations and behavior
- > Employees' characteristics, expectations and behavior
- > Organizational culture and policies



- According to this model, the leader has to *match the leadership style according* to the readiness of subordinates which moves in stage and has a cycle. Therefore, this theory is also known as the life-cycle theory of leadership.
- Readiness is the extent to which followers have the ability and willingness to accomplish a specific task.
- Ability is the knowledge, experience, and skill that an individual possesses to do the job and is called job readiness.
- Willingness is the motivation and commitment required to accomplish a given task.



The style of leadership depends on the level of readiness of the followers.

The readiness (R) is divided into a continuum of four levels which are:

- **R1 low follower readiness:** refers to *low ability and low willingness of followers* i.e. those who are unable and insecure.
- **R2 low to moderate follower readiness:** refers to *low ability and high willingness of followers* i.e. those who are unable but confident.
- R3 moderate to high follower readiness: refers to high ability and low willingness of followers i.e. those who are able but insecure.
- **R4 high follower readiness:** refers *to high ability and high willingness of followers* i.e. those who are both able and confident.



- For each of the four levels of readiness, the leadership style used may be a combination of task and relationship behavior.
- ➤ **Task behavior:** Extent to which the leader spells out the duties and responsibilities of a follower which includes *providing them direction*, *setting goals, and defining roles for them*. Usually a one-way communication exists which is meant to provide the direction to the followers.
- Relationship behavior: Extent to which the *leader listens to the followers, and* provides encouragement to them. Here, a two-way communication exists between the leader and the follower.



By combining the task and the relationship behavior, we arrive at the following four different styles of leadership which correspond with the different levels of readiness.

- > **S1-Telling:** This style is most appropriate for *low follower readiness* (R1). It emphasizes high levels of both task and relationship behavior.
- S2- Selling: This style is most appropriate for *low to moderate follower readiness* (R2). It emphasizes high levels of task behavior and limited relationship behavior.
- S3-Participating: This style is most appropriate for moderate *to high follower readiness* (R3). It emphasizes high levels of relationship behavior but limited task behavior.
- **S4-Delegating:** This style is most appropriate for *high follower readiness* (R4). It emphasizes low levels of both task and relationship behavior.



- This theory of leadership effectiveness was based on the studies of a wide range of group effectiveness, and concentrated on the relationship between leadership and organizational performance.
- According to this theory, if an organization attempts to achieve group effectiveness through leadership, then there is a need to assess the leader according to an underlying trait, assess the situation faced by the leader, and construct a proper match between the two.
- In order to assess the attitudes of the leader. Fiedler developed the 'least preferred coworker' (LPC) scale in which the leaders are asked about the person with whom they least like to work.



- The scale is a questionnaire consisting of 16 items used to reflect a leader's underlying disposition toward others.
- The items in the LPC scale are pleasant / unpleasant, friendly / unfriendly, rejecting / accepting, unenthusiastic / enthusiastic, tense / relaxed, cold / warm, helpful / frustrating, cooperative / uncooperative, supportive / hostile, quarrelsome / harmonious, efficient / inefficient, gloomy / cheerful, distant / close, boring / interesting, self-assured / hesitant, open / guarded.
- Each item in the scale is given a single ranking of between one and eight points, with eight points indicating the most favorable rating.



Situational factor

According to Fiedler, a leader's behavior is dependent upon the favorability of the leadership situation. Three factors work together to determine how favorable a situation is to a leader.

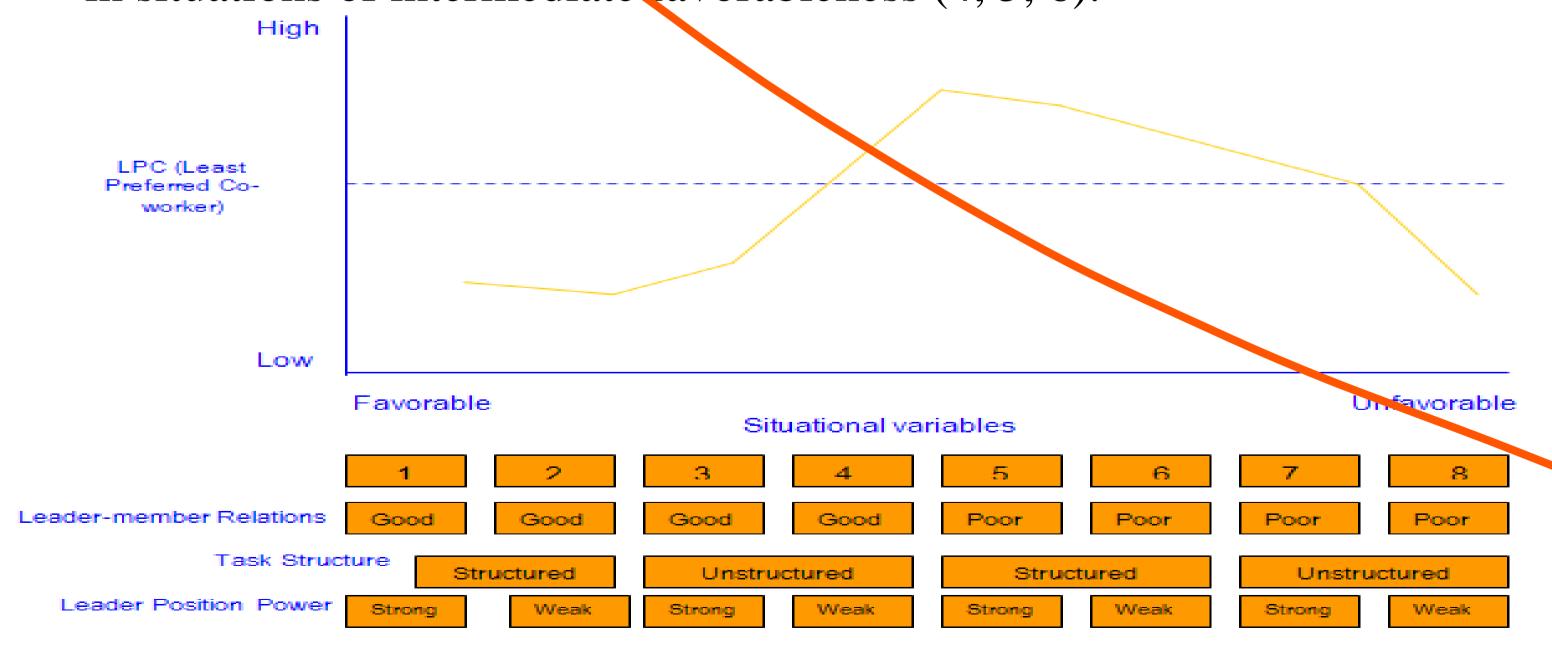
- Leader-member relations: The degree to which the leader is trusted and liked by the group members, and the willingness of the group members to follow the leader's guidance (good / poor).
- Task structure: The degree, to which the group's task has been described as structured or unstructured, has been clearly defined and the extent to which it can be carried out by detailed instructions (structured / unstructured).
- Position power: The power of the leader by virtue of the organizational position and the degree to which the leader can exercise authority on group members in order to comply with and accept his direction and leadership (strong / weak).



- With the help of these three variables, eight combinations of group-task situations were constructed by Fiedler. These combinations were used to identify the style of the leader.
- The leader's effectiveness is determined by the interaction of the leader's style of behavior and the favorableness of the situational characteristics. The most favorable situation is when leader-member relations are good, the task is highly structured, and the leader has a strong position power.
- Fiedler also suggested that leaders may act differently in different situations. Relationship-oriented leaders generally display task-oriented behaviors under highly favorable situations and display relationship-oriented behaviors under unfavorable or intermediate favorable situations. Similarly, task-oriented leaders frequently display task-oriented in unfavorable or intermediate favorable situations but display relationship-oriented behaviors in favorable situations.



Research on the contingency model has shown that task-oriented leaders are more effective in highly favorable (1, 2, 3) and highly unfavorable situation (7, 8) whereas relationship-oriented leaders are more effective in situations of intermediate favorableness (4, 5, 6).





- ➤ Path Goal theory was developed by *Robert House* and has its roots in the expectancy theory of motivation.
- The theory is based on the premise that an *employee's perception of* expectancies between his effort and performance is greatly affected by a leader's behavior.
- The leaders help group members in attaining rewards by clarifying the paths to goals and removing obstacles to performance.
- As per this model, leadership is not viewed as a position of power, rather, leaders act as coaches and facilitators to their subordinates.



According to House's path-goal theory, a leader's effectiveness depends on several employee and environmental contingent factors and certain leadership styles.

- Directive: Here the leader *provides guidelines*, lets subordinates know what is expected of them, sets performance standards for them, and controls behavior when performance standards are not met.
- Supportive: The leader is friendly towards subordinates and *displays personal concern* for their needs, welfare, and well-being.
- Participative: The leader believes in group decision-making and shares information with subordinates. He consults his subordinates on important decisions related to work, task goals, and paths to resolve goals.
- Achievement-oriented: The leader *sets challenging goals* and encourages employees to reach their peak performance. The leader believes that employees are responsible enough to accomplish challenging goals.

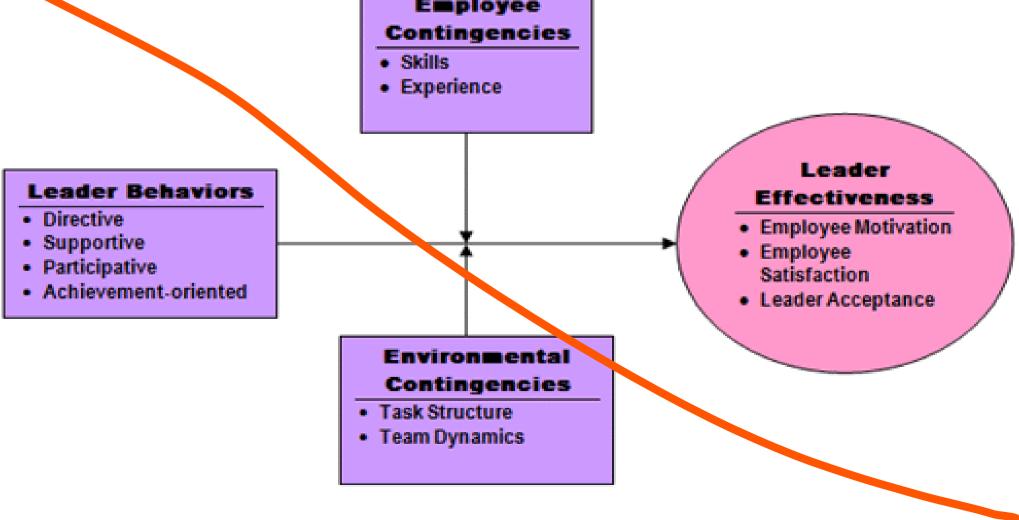


- According to the theory, these leadership styles are not mutually exclusive and leaders are capable of selecting more than one kind of a style suited for a particular situation.
- > It further states that the relationship between a leader's style and effectiveness is dependent on the following variables:
- Environmental Contingency Factors
- > Task Structure
- Formal Authority System
- Work Group
- Personal Characteristics
- Locus of Control
- Experience
- Perceived Ability
- Outcomes
- Performance
- Satisfaction



- Directive leadership leads to greater satisfaction when tasks are ambiguous or stressful.
- > Supportive leadership results in high employee performance and satisfaction when employee are performing structured tasks.
- Participative leadership leads to greater satisfaction in employees with an internal focus of control.

Achievement oriented leadership results in high employee performance when tasks are ambiguously structured.





Transactional Leadership

- Fransactional leadership involves motivating and directing followers primarily through appealing to their own self-interest.
- The main goal of the follower is to obey the instructions of the leader. The style can also be mentioned as a 'telling style'.
- The leader believes in motivating through a *system of rewards and punishment*.

 These exchanges involve four dimensions:
- Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance and recognizes accomplishments.
- Management by Exception (active): Watches and searches for deviations from rules and standards, takes correct action.
- Management by Exception (passive): Intervenes only if standards are not met.
- Laissez Faire: abdicates responsibilities and avoids making decisions.



Transformational Leadership

- Transformational leadership may be found at all levels of the organization: teams, departments, divisions, and organization as a whole.
- Such leaders are visionary, inspiring, daring, risk-takers, and thoughtful thinkers. They have a charismatic appeal.
 - For bringing major changes, transformational leaders must exhibit the following four factors:
- Idealized influence: Provide vision as sense of mission, instills pride, gains respect and trust.
- Inspirational motivation: Communicates high expectations, uses symbols to focus efforts, and expresses important purposes in simple ways.
- Intellectual Stimulation: Promotes intelligence, rationality, and careful problem solving.
- Individualized Consideration: Gives personal attention, treats each employee individually, coaches and advises.