

Principles of Management



Motivating Employees

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LEARNING OUTLINE

Follow this Learning Outline as you read and study this Topic

☐ What Is Motivation?

- Define motivation

☐ Contemporary Theories of Motivation

- Explain how goal-setting theory explain employee motivation.
- Explain how reinforcement theory explain employee motivation.
- Describe the job characteristics model as a way to design motivating jobs.

- **Discuss the motivation implications of equity theory.**
- **Explain the three key linkages in expectancy theory and their role in motivation**

□ Current Issues in Motivation

- **Describe the cross-cultural challenges of motivation.**
- **Discuss the challenges managers face in motivating unique groups of workers.**
- **Describe open-book management, employee recognition, pay-for-performance, and stock option programs.**

❑ What Is Motivation?

Motivation

- 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.
 - ❖ **Energy: a measure of intensity or drive.**
 - ❖ **Direction: toward organizational goals**
 - ❖ **Persistence: exerting effort to achieve goals.**

❑ **Contemporary Theories of Motivation**

The theories which represent current explanations of employee motivation.

These contemporary motivation approaches include

- Goal-setting Theory
- Reinforcement Theory
- Job design Theory
- Equity Theory
- Expectancy Theory

■ Goal-setting Theory

Goal setting theory says that specific goals increase performance and that difficult goals when accepted, result in higher performance than do easy goals.

- Goal Setting is essentially linked to task performance.
- Participation is probably preferable to assigning goals when employees might resist accepting difficult challenges
- Working toward a goal is a major source of job motivation.



- This theory demonstrated that specific and challenging goals are superior motivating forces
- Such goals produce a higher output than does the generalized goal of “do your best.”
- Individuals performed best when their manager assigned goals.

Example: Increase sales OR set goals to make 40 Sales per week.

Contingencies that influence goal performance relationship

Three other contingencies besides feedback influence the goal-performance relationship: goal commitment, adequate self-efficacy, and national culture.

- **Goal commitment:** committed most when goals made 'publically' than 'self set' .
- **Self-efficacy** refers to an individual's belief that he or she is capable of performing a task. More self efficacy more confident to succeed in task- Less efficacy people will give up---Individuals with high self-efficacy respond to negative feedback with increased effort and motivation.

- **National Culture:** Finally goal setting theory depends upon National Culture , (Subordinates are not independent no power to participate in goals)

■ Reinforcement Theory

Reinforcement theory of motivation aims at achieving the desired level of motivation among the employees by means of reinforcement, punishment and extinction.

- Reinforcement approach, which can be both positive and negative, is used to reinforce the desired behavior.
- The behavior of individual towards positive consequences tends to repeat, but the behavior of individual towards negative consequences tends not to repeat.

- Positive reinforcement is preferred for its long-term effects on performance
- Ignoring undesired behavior is better than punishment which may create additional dysfunctional behaviors.

According to B. F. Skinner, people will most likely engage in desired behaviors if they are rewarded for doing so. These rewards are most effective if they immediately follow a desired behavior; and behavior that isn't rewarded, or is punished, is less likely to be repeated.

Example :

Walmart improved its bonus program for hourly employees. Employees who provide outstanding customer service get a cash bonus, which are allocated on store performance and distributed quarterly so that workers are rewarded more frequently.

The company's intent: keep the workforce motivated to meet goals by rewarding them when they did, thus reinforcing the behaviors

■ Designing Motivating Jobs

job design to refer to the way tasks are combined to form complete jobs.

- Managers should design jobs deliberately and thoughtfully to reflect the demands of the changing environment, the organization's technology, and employees' skills, abilities, and preferences.
- When jobs are designed like that, employees are motivated to work hard.

Ways that managers can design motivating jobs:

- **Job enlargement:** The horizontal expansion of a job by increasing job scope (number and frequency of tasks).
- **Job enrichment:** The vertical expansion of a job by adding planning and evaluating responsibilities called job enrichment.
- **Job Characteristics Model (JCM):** A conceptual framework for designing motivating jobs that create meaningful work experiences that satisfy employees' growth needs.

According to JCM there're five core job dimensions :

- **Skill variety:** **how many skills and talents are needed?**
(People will be more motivated if they are using a variety of skills in their positions, rather than one thing repeatedly.)
- **Task identity:** **does the job produce a complete work?** (The extent to which a job involves , completing an identifiable piece of work from start to finish, with a visible outcome.)
- **Task significance** **how important is the job?** job is important to and impacts others within and outside of the organization. When employees feel that their work is significant to their organization, they are motivated to do well.

If they feel that their work is going unnoticed, or isn't affecting anyone, they will be less motivated to complete tasks

- **Autonomy** : how much independence does the jobholder have?

Employees like to be able to make decisions and have flexibility in their roles. Most employees will have lowered motivation if they feel they have no freedom or are being micromanaged.

- **Feedback**: do workers know how well they are doing?

The degree to which the employees work receives direct feedback on their performance. *Employees need feedback (both positive and negative) in order to stay motivated.*

■ Equity Theory:

- Equity Theory, stresses the importance of striking a balance between employee inputs and outputs.
 - Equity theory, developed by J. Stacey Adams, proposes that employees compare what they get from a job (outcomes) in relation to what they put into it (inputs), and then they 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

$$\frac{\text{Outcomes A}}{\text{Inputs A}} < \frac{\text{Outcomes B}}{\text{Inputs B}}$$

Inequity (underrewarded)

$$\frac{\text{Outcomes A}}{\text{Inputs A}} = \frac{\text{Outcomes B}}{\text{Inputs B}}$$

Equity

$$\frac{\text{Outcomes A}}{\text{Inputs A}} > \frac{\text{Outcomes B}}{\text{Inputs B}}$$

Inequity (overrewarded)

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

■ Expectancy Theory

Expectancy theory 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.

Expectancy theory has three components:

- 1.Expectancy: effort \rightarrow performance ($E \rightarrow P$)
- 2.Instrumentality: performance \rightarrow outcome ($P \rightarrow O$)
- 3.Valence: $V(R)$ outcome \rightarrow reward

Terms to Know

- job enrichment
- job characteristics model (JCM)
- skill variety
- task identity
- task significance
- autonomy
- feedback
- equity theory
- expectancy theory
- Goal-setting Theory