



Organizational Behaviour

Motivation

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Motivation

- ✓ **Motivation** is the processes that account for an individual's intensity, direction, and persistence of effort toward attaining a goal
 1. Intensity: concerned with how hard a person tries
 2. Direction: the orientation that benefits the organization
 3. Persistence: a measure of how long a person can maintain his/her effort
- ✓ The level of motivation varies both between individuals and within individuals at different times



Motivation

Needs —————> Drives —————> Incentives

- ✓ motivation is a process that starts with a physiological or psychological deficiency or need that activates a behavior or a drive that is aimed at a goal or incentive. Thus, the key to understanding the process of motivation lies in the meaning of, and relationships among, needs, drives, and incentive



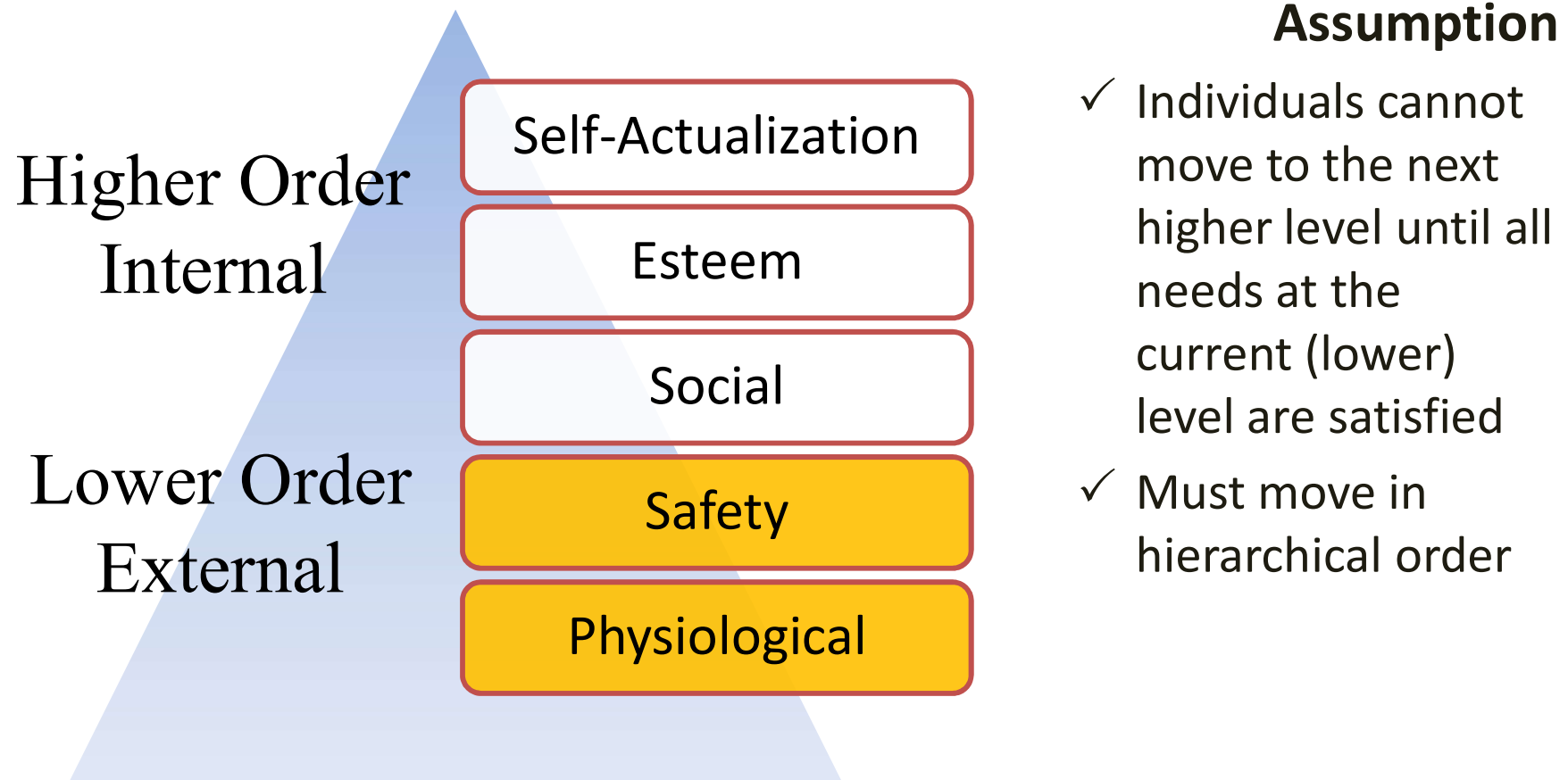
Early Theories of Motivation

These early theories may not be valid, but they do form the basis for contemporary theories and are still used by practicing managers.

- ✓ Maslow's Hierarchy of Needs Theory
- ✓ McGregor's Theory X and Theory Y
- ✓ Herzberg's Two-Factor Theory
- ✓ McClelland's Theory of Needs

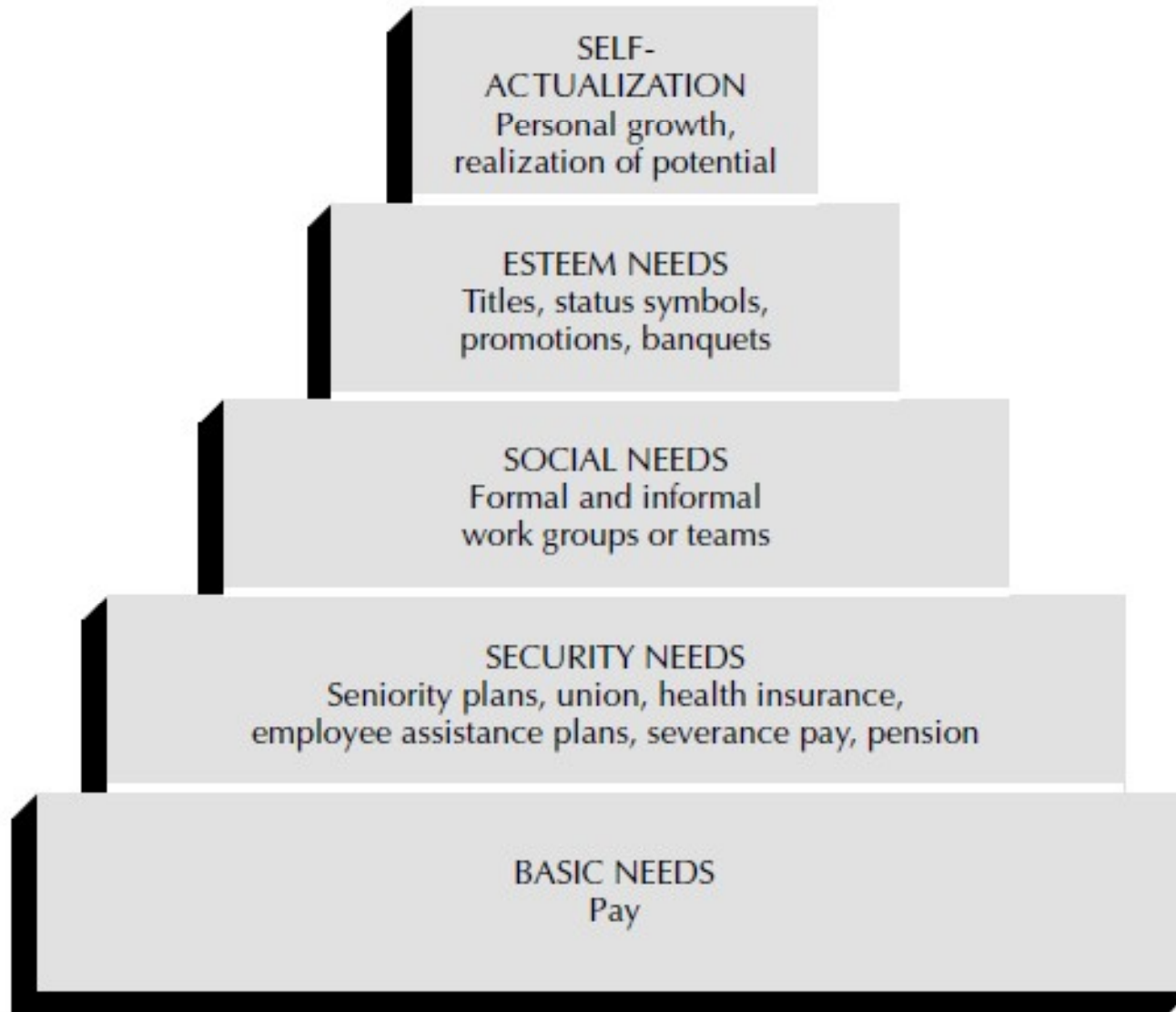
Maslow's Hierarchy of Needs

There is a hierarchy of five needs. As each need is substantially satisfied, the next need becomes dominant.





Maslow's Hierarchy of Needs





Maslow's Hierarchy of Needs

- ✓ Physiological – Includes hunger, thirst, shelter, sex, and other bodily needs
- ✓ Safety – Security & protection from physical & emotional harm
- ✓ Social – Affection, belongingness, acceptance, and friendship
- ✓ Esteem – Internal factors such as self-respect, autonomy and achievement and External factors such as status, recognition, and attention
- ✓ Self-actualization – Drive to become what we are capable of becoming; includes growth, achieving our potential, and self-fulfilment



McGregor's Theory X and Theory Y

Theory X and Theory Y:

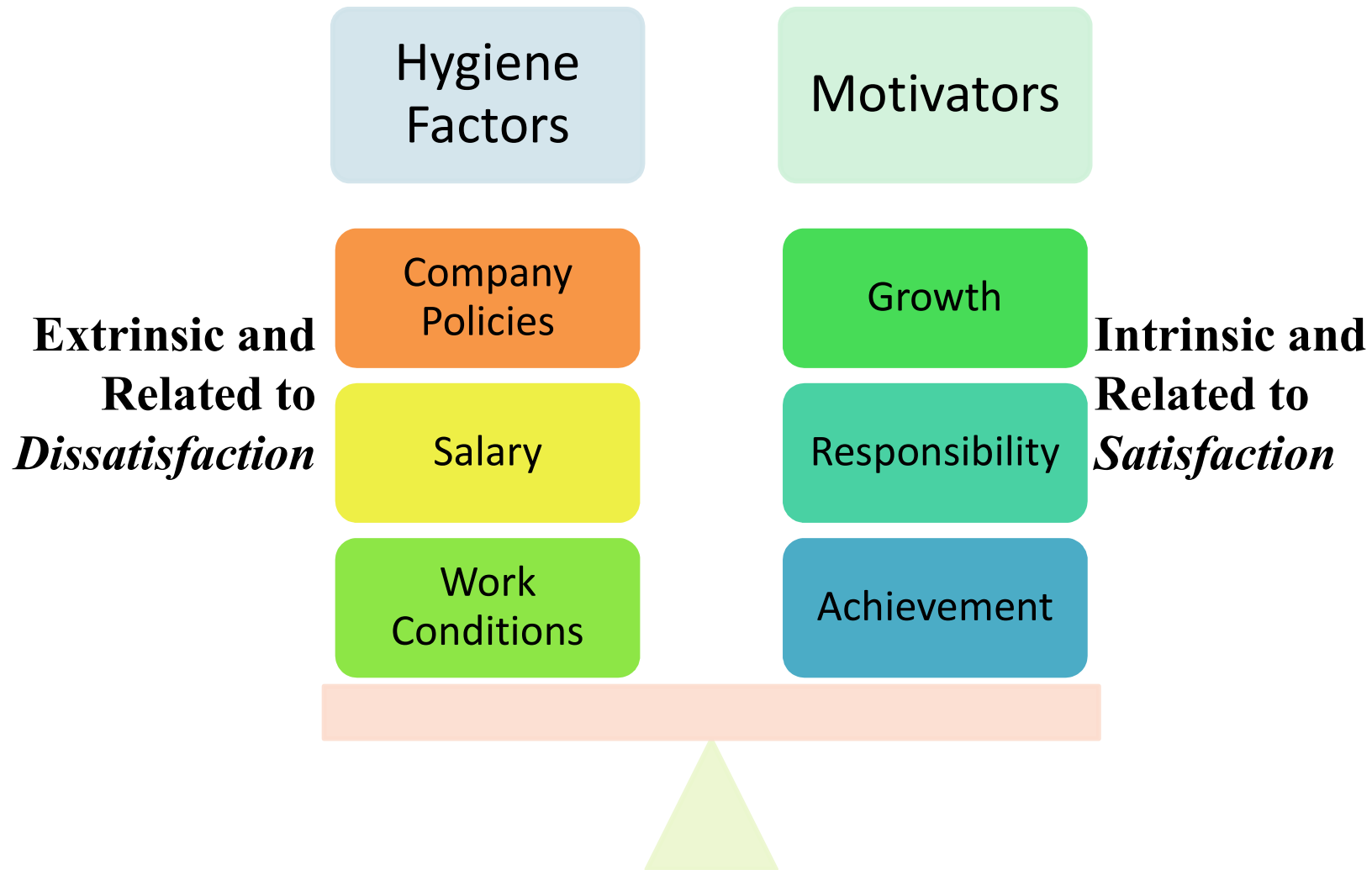
- ✓ **Theory X** assumptions are basically negative.
 - Employees inherently dislike work and must be coerced into performing
- ✓ **Theory Y** assumptions are basically positive.
 - Employees can view work as being as natural as rest or play.



McGregor's Theory X and Theory Y

- ✓ The implications for managers can be explained by using Maslow's framework
 - ✓ Theory X: lower-order needs dominate individuals
 - ✓ Theory Y: higher-order needs dominate individuals
- ✓ McGregor himself believed that Theory Y assumptions were more valid than Theory X
- ✓ There is no evidence to suggest that either set of assumptions is valid.

Herzberg's Two-Factor Theory



Key Point: Satisfaction and dissatisfaction are not opposites but separate constructs



McClelland's Three Needs Theory

- ✓ Need for Achievement (nAch)
 - The drive to excel, to achieve in relation to a set of standards, to strive to succeed
- ✓ Need for Power (nPow)
 - The need to make others behave in a way that they would not have behaved otherwise
- Need for Affiliation (nAff)
 - ✓ The desire for friendly and close interpersonal relationships
- ✓ People have varying levels of each of the three needs.
 - Hard to measure



Contemporary Theories of Motivation

- ✓ Self Determination Theory
- ✓ Goal-Setting Theory
 - Management by Objectives (MBO)
- ✓ Self-Efficacy Theory
 - Also known as Social Cognitive Theory or Social Learning Theory
- ✓ Reinforcement Theory
- ✓ Equity Theory
- ✓ Expectancy Theory





Self Determination Theory

- ✓ When extrinsic rewards are used as payoffs for performance, employees feel they are doing a good job
- ✓ Self-determination theory acknowledges that extrinsic rewards can improve even intrinsic motivation under specific circumstances.



Self Determination Theory

- ✓ What does self-determination theory suggest for providing rewards?
 - A senior sales representative may be motivated by a commission
 - A computer programmer who values writing code because she likes to solve problems might react negatively to an external standard like having to write a certain number of lines of code every day
- ✓ **Self-concordance:** considers how strongly people's reasons for pursuing goals are consistent with their interests and core values



Locke's Goal-Setting Theory

- ✓ Basic Premise: That *specific* and *difficult* goals, with *self-generated feedback*, lead to higher performance
- ✓ Evidence suggests:
 - Specific goals increase performance.
 - Difficult goals, when accepted, result in higher performance than do easy goals.
 - Feedback leads to higher performance than does non-feedback
- ✓ Relationship between goals and performance depends on:
 - Goal commitment (the more public the better)
 - Task characteristics (simple, clear, well-learned)
 - National Culture (best match is in North America)



Management by Objectives

- ✓ MBO is a systematic way to utilize goal-setting
- ✓ Goals must be SMART:
 - Specific
 - Measurable
 - Achievable but with a little stretch
 - Relevant
 - Time Line
- ✓ Corporate goals are broken down into smaller, more specific goals at each level of organization.



Bandura's Self-Efficacy Theory

- ✓ People differ in the way they regulate their thoughts and behaviors
 - Those with a **promotion focus** strive for advancement and accomplishment and approach conditions that move them closer toward desired goals.
 - Those with a **prevention focus** strive to fulfill duties and obligations and avoid conditions that pull them away from desired goals
- ✓ Self-Efficacy complements Goal-Setting Theory



Increasing Self-Efficacy

- ✓ Enactive mastery
 - Most important source of efficacy
 - Gaining relevant experience with task or job
 - “Practice makes perfect”
- ✓ Vicarious modeling
 - Increasing confidence by watching others perform the task
 - Most effective when observer sees the model to be similar to him- or herself
- ✓ Verbal persuasion
 - Motivation through verbal conviction
 - Example: Pygmalion effect - self-fulfilling prophecies
- ✓ Arousal
 - Getting “psyched up” – emotionally aroused – to complete task
 - Can hurt performance if emotion is not a component of the task



Reinforcement Theory

- ✓ Behavior is a function of its consequences
 - Takes a behavioristic view, arguing that reinforcement conditions behavior
 - Behavior is environmentally caused
- ✓ Goal-setting is a cognitive approach: an individual's purposes direct his or her action
- ✓ It is not, strictly speaking, a theory of motivation
- ✓ *Operant conditioning theory*: people learn to behave to get something they want or to avoid something they don't want.

Adams' Equity Theory

Ratio Comparisons*

$$\frac{O_A}{I_A} < \frac{O_B}{I_B}$$

$$\frac{O_A}{I_A} = \frac{O_B}{I_B}$$

$$\frac{O_A}{I_A} > \frac{O_B}{I_B}$$

Perception

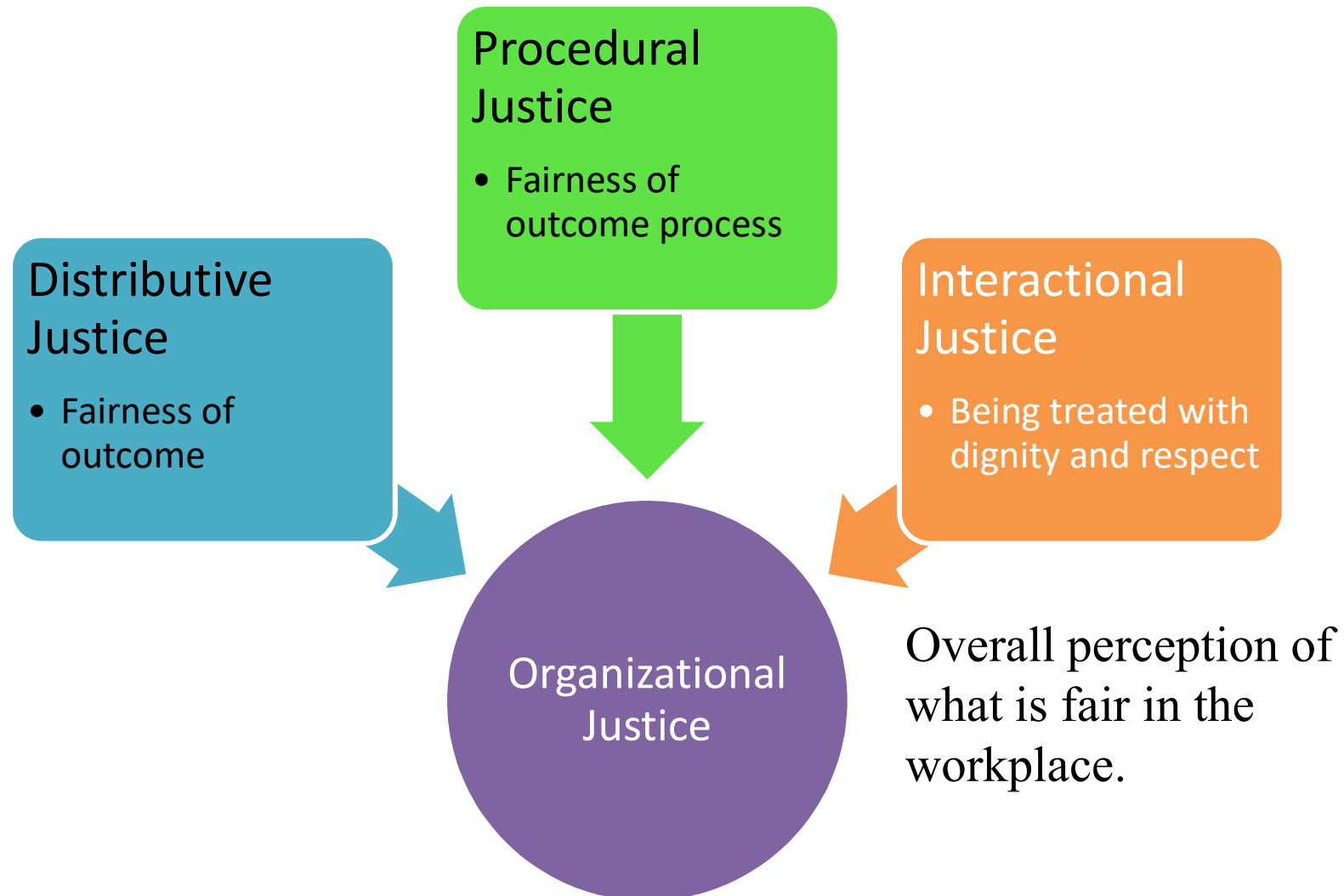
Inequity due to being underrewarded

Equity

Inequity due to being overrewarded

*Where $\frac{O_A}{I_A}$ represents the employee; and $\frac{O_B}{I_B}$ represents relevant others

Justice and Equity Theory

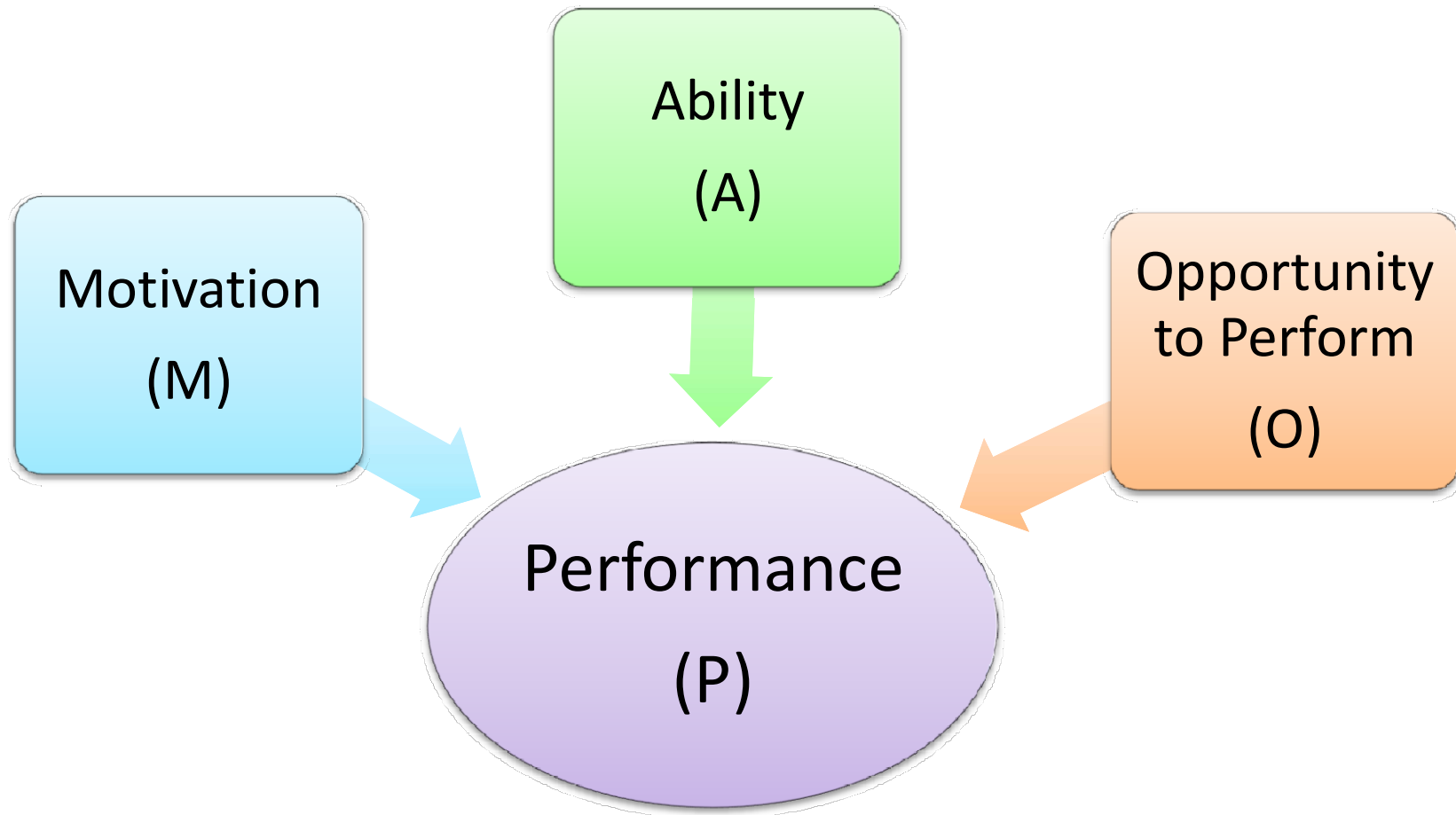


Vroom's Expectancy Theory

The 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 the outcome to the individual.



Motivation Is Not the Whole Story



$$P = f(A \times M \times O)$$

Motivation: From Concepts to Application



The Job Characteristics Model (JCM)

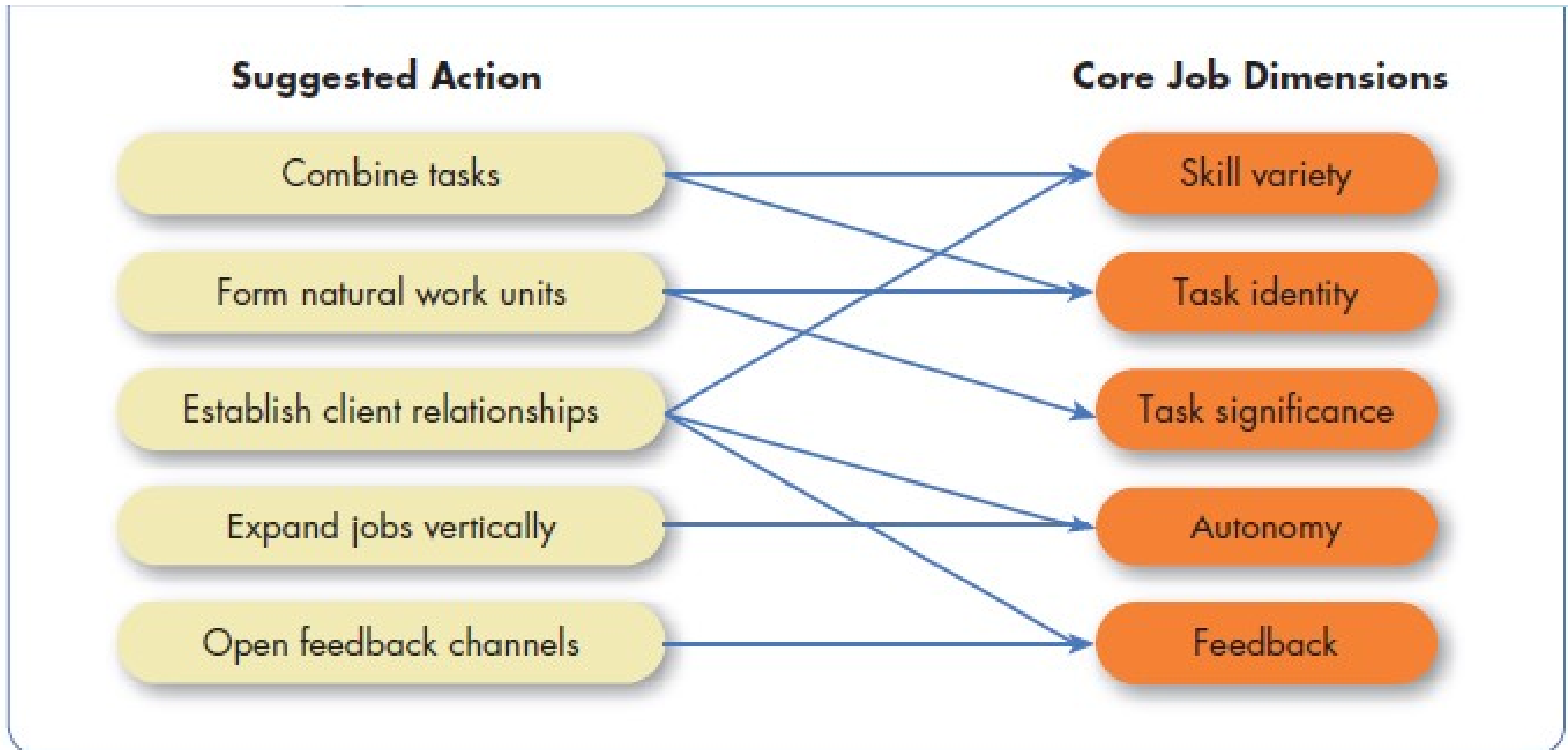
- ✓ Hackman and Oldham's concept that any job can be described through five core job dimensions:
 - **Skill variety** – Requirements for different tasks in the job.
 - **Task identity** – Completion of a whole piece of work.
 - **Task significance** – The job's impact on others.
 - **Autonomy** – Level of discretion in decision making.
 - **Feedback** – Amount of direct and clear information on performance.
- ✓ The way elements in a job are organized (*job design*) impacts motivation, satisfaction, and performance.

Motivating Potential Score (MPS)

- ✓ Five dimensions (Job Characteristics) combined into a single predictive index of motivation.
 - People who work on jobs with high core dimensions are generally more motivated, satisfied, and productive.
 - Job dimensions operate through the psychological states in influencing personal and work outcome variables rather than influencing them directly

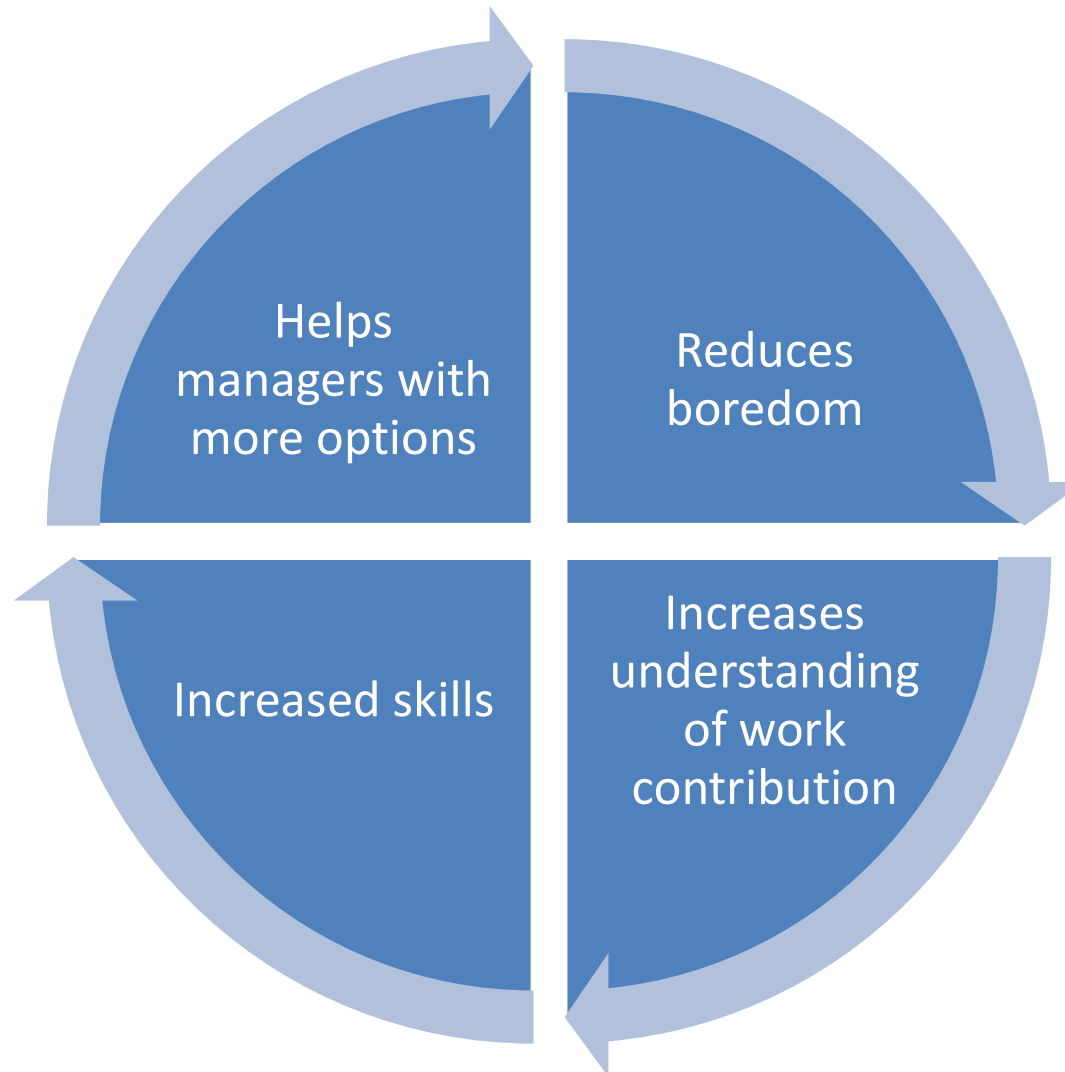
$$\text{Motivating Potential Score (MPS)} = \left[\frac{\text{Skill variety} + \text{Task identity} + \text{Task significance}}{3} \right] \times \text{Autonomy} \times \text{Feedback}$$

Job Enrichment





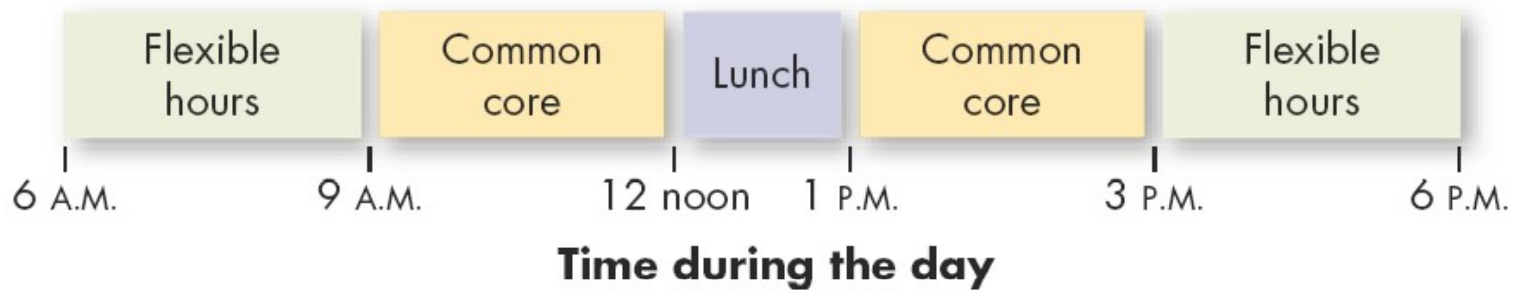
Job Rotation



Alternative Work Arrangements

✓ Flextime

- Employees work during a common core time period each day but have discretion in forming their total workday from a flexible set of hours outside the core.



✓ Job Sharing

- The practice of having two or more people split a 40-hour-a-week job



Alternative Work Arrangements

- ✓ Telecommuting
 - Employees do their work at home at least two days a week on a computer that is linked to their office.
- ✓ The Virtual Office
 - Employees work out of their home on a relatively permanent basis.
- ✓ Typical Telecommuting Jobs
 - Professional and other knowledge-related tasks
 - Routine information-handling tasks
 - Mobile activities



Social and Physical Context of Work

✓ Social Context

- Some social characteristics that improve job performance include:
 - Interdependence
 - Social support
 - Interactions with other people outside of work

✓ Physical Context

- The work context will also affect employee satisfaction
 - Work that is hot, loud, and dangerous is less satisfying
 - Work that is controlled, relatively quiet, and safe will be more satisfying



Employee Involvement

A participative process that uses the input of employees to increase their commitment to the organization's success.

- ✓ By increasing worker autonomy and control over work lives (involvement), organizations:
 - Increase employee motivation
 - Gain greater organizational commitment
 - Experience greater worker productivity
 - Observe higher levels of job satisfaction



Employee Involvement

- ✓ Participative Management
 - Subordinates share a significant degree of decision-making power with their immediate superiors
- ✓ Representative Participation
 - Works councils
 - Groups of nominated or elected employees who must be consulted for any personnel decisions
 - Board representative
 - An employee sits on a company's board of directors and represents the interests of the firm's employees
- ✓ Quality Circle
 - A work group of employees who meet regularly to discuss their quality problems, investigate causes, recommend solutions, and take corrective actions



Major Strategic Reward Decisions

1. What to pay? (pay structure)
2. How to pay individuals? (variable pay plans and skill-based pay plans)
3. What benefits to offer? Do we offer choice of benefits? (flexible benefits)
4. How to build recognition programs?



What to Pay – Pay Structure

- ✓ Internal equity
 - The worth of the job to the organization
 - Determined by job evaluations
- ✓ External equity
 - The competitiveness of the company's pay relative to pay elsewhere in the industry
 - Determined through pay surveys
- ✓ Choose organizational position
 - Pay leaders
 - Greater employee loyalty
 - Attracts better-quality employees
 - Pay laggards – accept high turnover for low hourly costs



How to Pay - Variable Pay Programs

✓ Types of Variable Pay Programs

A portion of an employee's pay is based on some individual and/or organizational measure of performance

➤ Piece Rate:

- Workers are paid a fixed sum for each unit of production completed
- Weakness: not feasible for many jobs

➤ Merit-Based:

- Based on performance appraisal ratings
- Gap increasing between average and top-performers
- Weaknesses: validity of system based on annual appraisals, pay pool can be small, unions strongly resist

➤ Bonuses:

- Rewards recent performance
- Weakness: employees consider this a pay



How to Pay - Skill Based Pay Programs

✓ Types of Skill-Based Programs:

Also known as competency- or knowledge-based pay - sets pay based on skills or number of jobs an employee can perform

➤ Profit Sharing:

- Organization-wide programs that distribute compensation based on some established formula designed around a company's profitability

➤ Gain Sharing:

- An incentive plan in which improvements in group productivity determine the total amount of money that is allocated

➤ Employee Stock Ownership Plans (ESOPs)

- Company-established benefit plans in which employees acquire stock as part of their benefits



Managerial Implications

- ✓ Make sure extrinsic rewards for employees are not viewed as coercive, but instead provide information about competence and relatedness
- ✓ Consider goal-setting theory, as clear and difficult goals often lead to higher levels of employee productivity
- ✓ Consider reinforcement theory regarding quality and quantity of work, persistence of effort, absenteeism, tardiness, and accident rates.
- ✓ Consult equity theory to help understand productivity, satisfaction, absence, and turnover variables.
- ✓ Expectancy theory also offers a powerful explanation of performance variables such as employee productivity, absenteeism, and turnover



End!

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Any Questions?