

# Management

tenth edition

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Chapter

15

Motivating  
Employees

# Learning Outcomes

*Follow this Learning Outline as you read and study this chapter.*

## 15.1 What Is Motivation?

- Define motivation.
- Explain the three key elements of motivation.

## 15.2 Early Theories of Motivation

- Describe Maslow's hierarchy of needs and how it can be used to motivate.
- Discuss how Theory X and Theory Y managers approach motivation.
- Describe Herzberg's motivation-hygiene theory.
- Describe the three-needs theory.

# Learning Outcomes

## 15.3 Contemporary Theories of Motivation

- Explain how goal-setting and reinforcement theories explain employee motivation.
- Describe job design approaches to motivation.
- Discuss the motivation implications of equity theory.
- Explain the three key linkages in expectancy theory and their role in motivation.

# Learning Outcomes

## 15.4 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.
- Motivation works best when individual needs are compatible with organizational goals.

## **Early Theories of Motivation**

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

# Early Theories of Motivation

- **Maslow's Hierarchy of Needs Theory**

- Needs were categorized as five levels of lower- to higher-order needs.
  - ❖ Individuals must satisfy lower-order needs before they can satisfy higher order needs.
  - ❖ Satisfied needs will no longer motivate.
  - ❖ Motivating a person depends on knowing at what level that person is on the hierarchy.
- Hierarchy of needs
  - ❖ Lower-order (external): physiological, safety
  - ❖ Higher-order (internal): social, esteem, self-actualization

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## **Exhibit 15–1 Maslow's Hierarchy of Needs**

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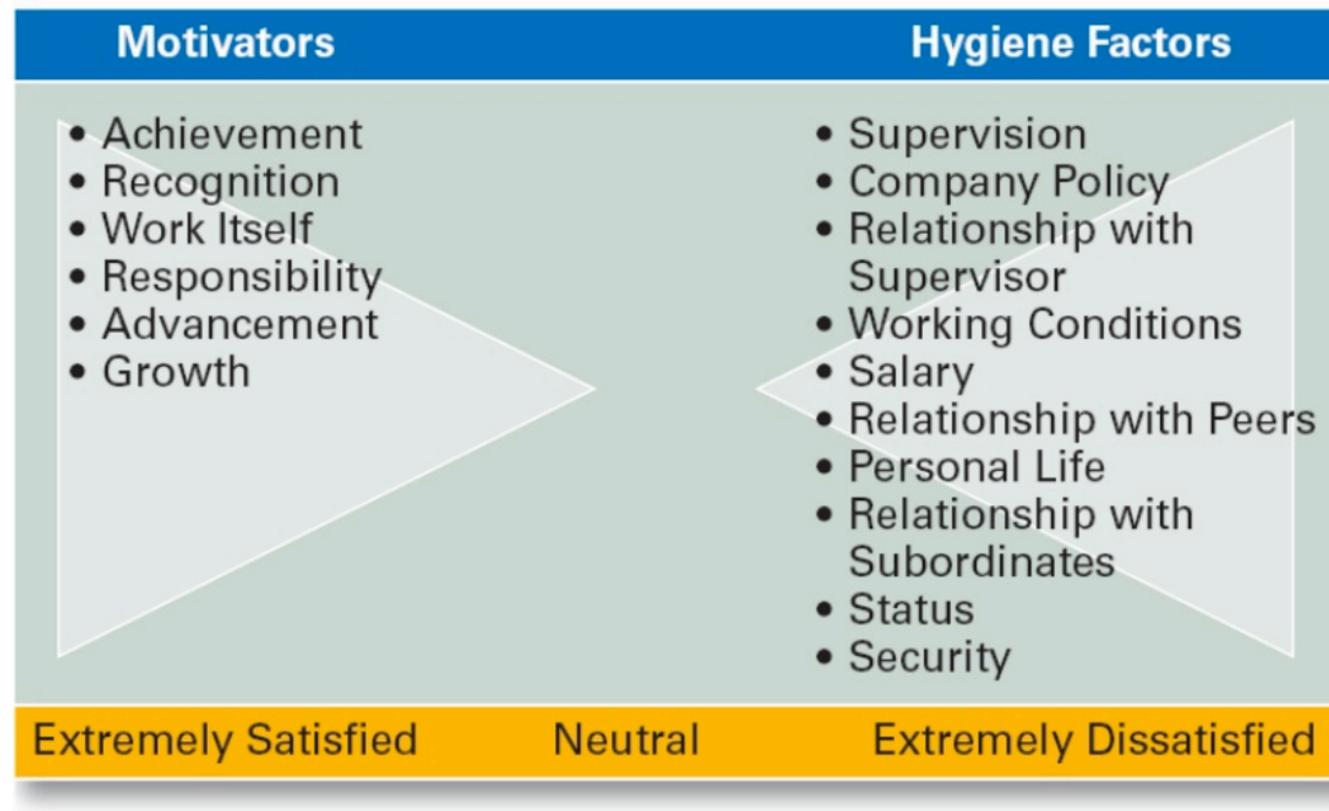
## Early Theories of Motivation (cont'd)

- McGregor's Theory X and Theory Y
  - Theory X
    - ❖ Assumes that workers have little ambition, dislike work, avoid responsibility, and require close supervision.
  - Theory Y
    - ❖ Assumes that workers can exercise self-direction, desire responsibility, and like to work.
  - Assumption:
    - ❖ Motivation is maximized by participative decision making, interesting jobs, and good group relations.

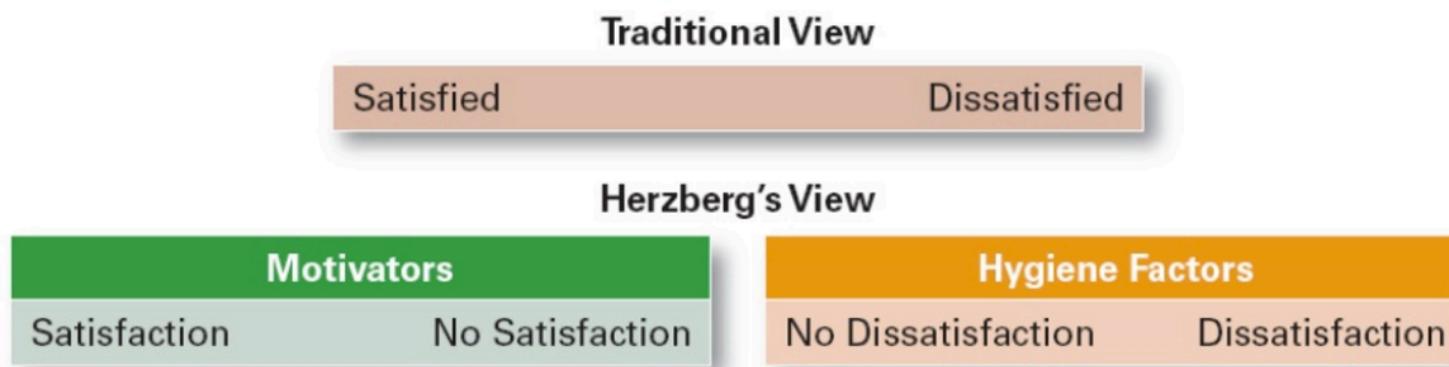
## Early Theories of Motivation (cont'd)

- Herzberg's Motivation-Hygiene Theory
  - Job satisfaction and job dissatisfaction are created by different factors.
    - ❖ **Hygiene factors:** extrinsic (environmental) factors that create job dissatisfaction.
    - ❖ **Motivators:** intrinsic (psychological) factors that create job satisfaction.
  - Attempted to explain why job satisfaction does not result in increased performance.
    - ❖ The opposite of satisfaction is not dissatisfaction, but rather no satisfaction.

## **Exhibit 15–2 Herzberg's Motivation-Hygiene Theory**



## **Exhibit 15–3 Contrasting Views of Satisfaction-Dissatisfaction**



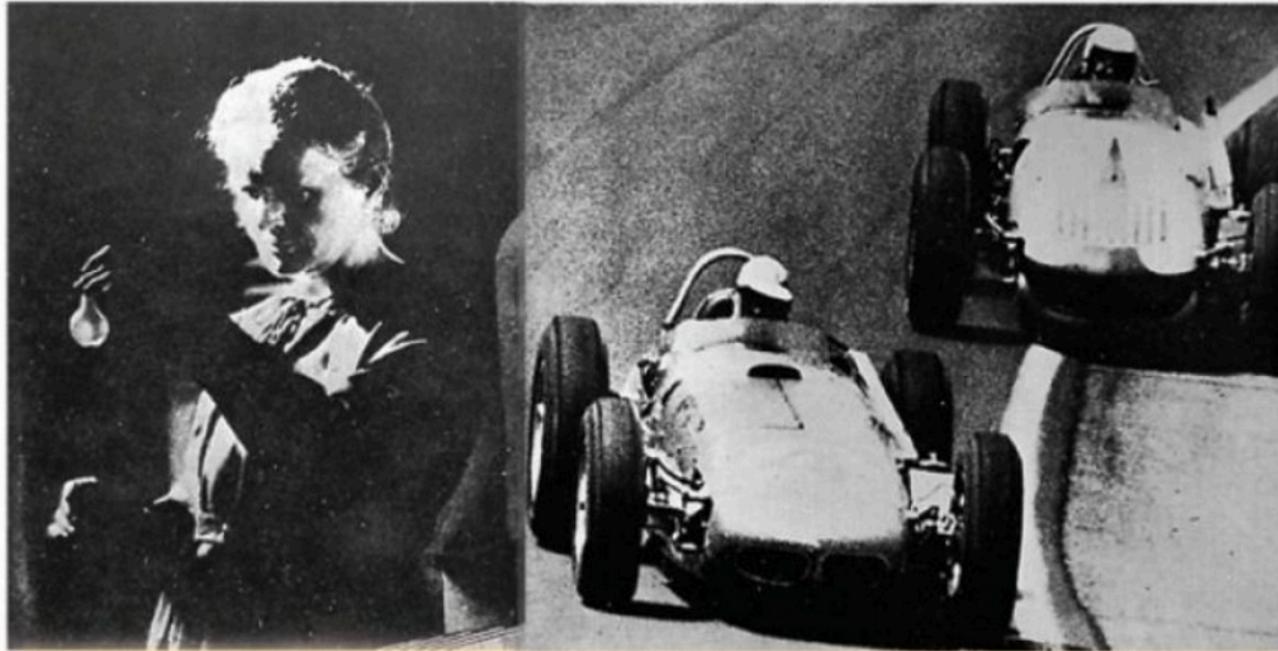
# Motivation and Needs

- **Three-Needs Theory (McClelland)**

- There are three major acquired needs that are major motives in work.
  - ❖ **Need for achievement (nAch)**
    - The drive to excel and succeed
  - ❖ **Need for power (nPow)**
    - The need to influence the behavior of others
  - ❖ **Need of affiliation (nAff)**
    - The desire for interpersonal relationships

## Exhibit 15–4 Examples of Pictures Used for Assessing

Levels of nAch, nAff, and nPow:



nAch: Indicated by someone in the story wanting to perform or do something better.

nAff: Indicated by someone in the story wanting to be someone else and enjoy mutual friendship.

nPow: Indicated by someone in the story desiring to have an impact or make an impression on others in the story.

# **Contemporary Theories of Motivation**

- Goal-Setting Theory
- Reinforcement Theory
- Designing Motivating Jobs
- Equity Theory
- Expectancy Theory

# Motivation and Goals

- **Goal-Setting Theory**

- Proposes that setting goals that are accepted, specific, and challenging yet achievable will result in higher performance than having no or easy goals.
- Is culture bound to the U.S. and Canada.

- **Benefits of Participation in Goal-Setting**

- Increases the acceptance of goals.
- Fosters commitment to difficult, public goals.
- Provides for self-feedback (internal locus of control) that guides behavior and motivates performance (self-efficacy).

## Exhibit 15–5 Goal-Setting Theory



# Motivation and Behavior

- **Reinforcement Theory**

- Assumes that a desired behavior is a function of its consequences, is externally caused, and if reinforced, is likely to be repeated.
  - ❖ Positive reinforcement is preferred for its long-term effects on performance.
  - ❖ Ignoring undesired behavior is better than punishment which may create additional dysfunctional behaviors.

# Designing Motivating Jobs

- **Job Design**

- The way into which tasks can be combined to form complete jobs.
- Factors influencing job design:
  - ❖ Changing organizational environment/structure
  - ❖ The organization's technology
  - ❖ Employees' skill, abilities, and preferences
- Job enlargement
  - ❖ Increasing the job's scope (number and frequency of tasks)
- Job enrichment
  - ❖ Increasing responsibility and autonomy (depth) in a job.

## Designing Motivating Jobs (cont'd)

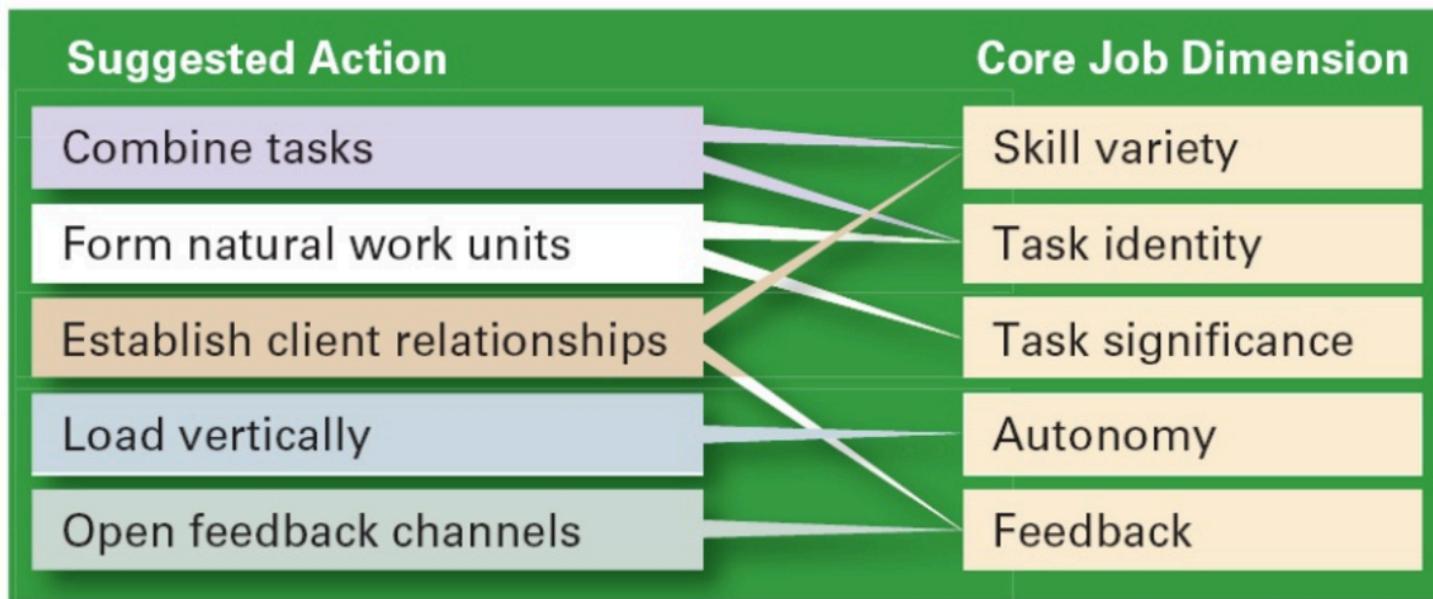
- **Job Characteristics Model (JCM)**
  - A conceptual framework for designing motivating jobs that create meaningful work experiences that satisfy employees' growth needs.
  - Five primary job characteristics:
    - ❖ **Skill variety:** how many skills and talents are needed?
    - ❖ **Task identity:** does the job produce a complete work?
    - ❖ **Task significance:** how important is the job?
    - ❖ **Autonomy:** how much independence does the jobholder have?
    - ❖ **Feedback:** do workers know how well they are doing?

## Exhibit 15–6 Job Characteristics Model



*Source:* J.R. Hackman and J.L. Suttle (eds.). *Improving Life at Work* (Glenview, IL: Scott, Foresman, 1977). With permission of the authors.

## Exhibit 15–7 Guidelines for Job Redesign



*Source:* J.R. Hackman and J.L. Suttle (eds.). *Improving Life at Work* (Glenview, IL: Scott, Foresman, 1977). With permission of the authors.

## Designing Motivating Jobs (cont'd)

- **Suggestions for Using the JCM**
  - Combine tasks (job enlargement) to create more meaningful work.
  - Create natural work units to make employees' work important and whole.
  - Establish external and internal client relationships to provide feedback.
  - Expand jobs vertically (job enrichment) by giving employees more autonomy.
  - Open feedback channels to let employees know how well they are doing.

# Equity Theory

- Proposes that employees perceive what they get from a job situation (outcomes) in relation to what they put in (inputs) and then 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).

## Equity Theory (cont'd)

- Employee responses to perceived inequities:
  - ❖ Distort own or others' ratios.
  - ❖ Induce others to change their own inputs or outcomes.
  - ❖ Change own inputs (increase or decrease efforts) or outcomes (seek greater rewards).
  - ❖ Choose a different comparison (referent) other (person, systems, or self).
  - ❖ Quit their job.
- Employees are concerned with both the absolute and relative nature of organizational rewards.

## Exhibit 15–8 Equity Theory

Perceived Ratio Comparison <sup>a</sup>	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)

<sup>a</sup> Person A is the employee, and person B is a relevant other or referent.

# Equity Theory (cont'd)

## ➤ Distributive justice

- ❖ The perceived fairness of the amount and allocation of rewards among individuals (i.e., who received what).
  - Influences an employee's satisfaction.

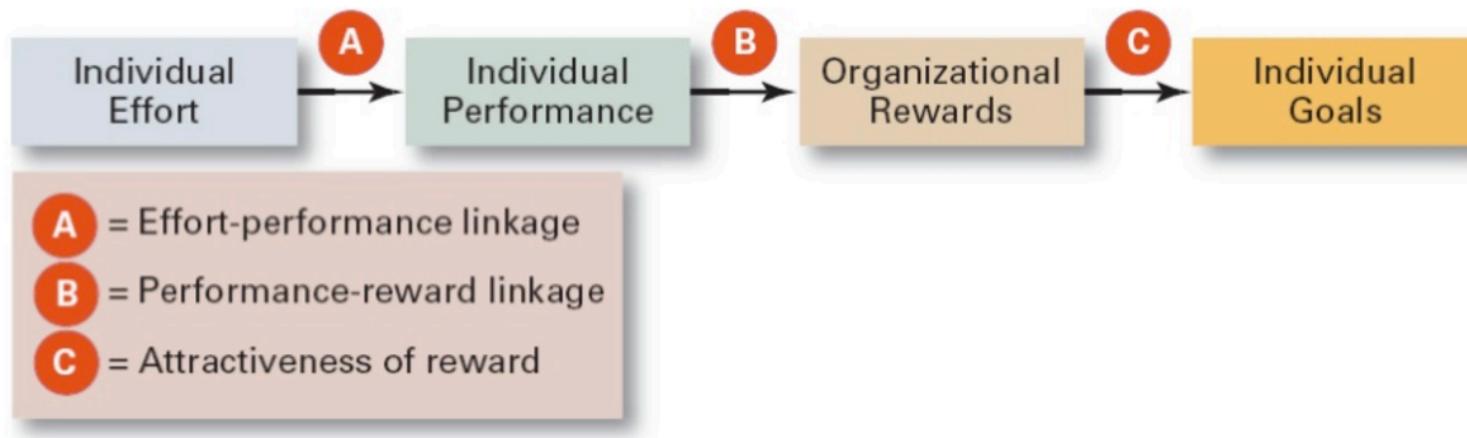
## ➤ Procedural justice

- ❖ The perceived fairness of the process used to determine the distribution of rewards (i.e., how who received what).
  - Affects an employee's organizational commitment.

# 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.
- Key to the theory is understanding and managing employee goals and the linkages among and between effort, performance and rewards.
  - ❖ **Effort:** employee abilities and training/development
  - ❖ **Performance:** valid appraisal systems
  - ❖ **Rewards (goals):** understanding employee needs

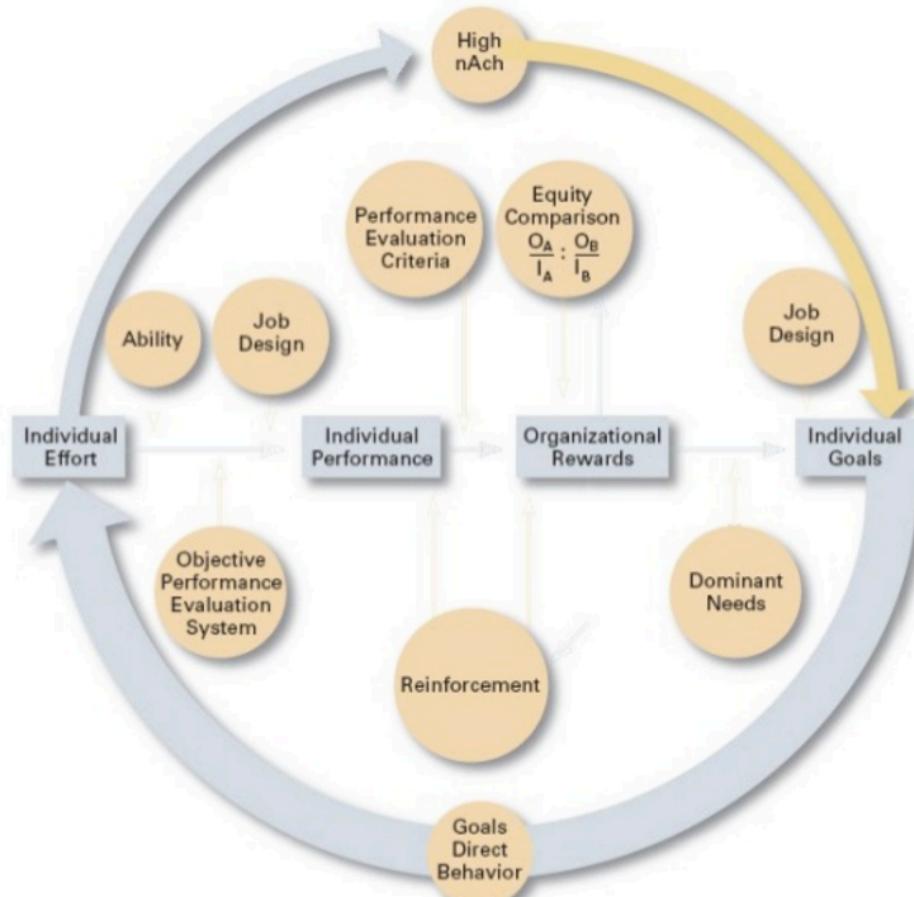
## Exhibit 15–9 Simplified Expectancy Model



# Expectancy Theory

- **Expectancy Relationships**
  - Expectancy (effort-performance linkage)
    - ❖ The perceived probability that an individual's effort will result in a certain level of performance.
  - Instrumentality
    - ❖ The perception that a particular level of performance will result in the attaining a desired outcome (reward).
  - Valence
    - ❖ The attractiveness/importance of the performance reward (outcome) to the individual.

## Exhibit 15–10 Integrating Contemporary Theories of Motivation



# Current Issues in Motivation

- **Cross-Cultural Challenges**

- Motivational programs are most applicable in cultures where ***individualism*** and achievement are cultural characteristics
  - ❖ Uncertainty avoidance of some cultures inverts Maslow's needs hierarchy.
  - ❖ The need for achievement (nAch) is lacking in other cultures.
  - ❖ Collectivist cultures view rewards as "entitlements" to be distributed based on individual needs, not individual performance.
- Cross-Cultural Consistencies
  - ❖ Interesting work is widely desired, as is growth, achievement, and responsibility.

# Motivating Unique Groups of Workers

- **Motivating Diverse Workforce**
  - Motivating a diverse workforce through flexibility:
    - ❖ Men desire more autonomy than do women.
    - ❖ Women desire learning opportunities, flexible work schedules, and good interpersonal relations.

# Motivating Unique Groups of Workers

- Motivating Diverse Workforce

- Compressed workweek
  - ❖ Longer daily hours, but fewer days
- Flexible work hours (flexitime)
  - ❖ Specific weekly hours with varying arrival, departure, lunch and break times around certain core hours during which all employees must be present.
- Job Sharing
  - ❖ Two or more people split a full-time job.
- Telecommuting
  - ❖ Employees work from home using computer links.

# Motivating Unique Groups of Workers

- Motivating Professionals

- Characteristics of professionals

- ❖ Strong and long-term commitment to their field of expertise.
    - ❖ Loyalty is to their profession, not to the employer.
    - ❖ Have the need to regularly update their knowledge.
    - ❖ Don't define their workweek as 8:00 am to 5:00 pm.

- Motivators for professionals

- ❖ Job challenge
    - ❖ Organizational support of their work

# Motivating Unique Groups of Workers

- Motivating Contingent Workers
  - Opportunity to become a permanent employee
  - Opportunity for training
  - Equity in compensation and benefits
- Motivating Low-Skilled, Minimum-Wage Employees
  - Employee recognition programs
  - Provision of sincere praise

# Current Issues in Motivation

- **Designing Appropriate Rewards Programs**
  - Open-book management
    - ❖ Involving employees in workplace decision by opening up the financial statements of the employer.
  - Employee recognition programs
    - ❖ Giving personal attention and expressing interest, approval, and appreciation for a job well done.
  - Pay-for-performance
    - ❖ Variable compensation plans that reward employees on the basis of their performance:
      - Piece rates, wage incentives, profit-sharing, and lump-sum bonuses

## **Designing Appropriate Rewards Programs (cont'd)**

- Stock option programs
  - ❖ Using financial instruments (in lieu of monetary compensation) that give employees the right to purchase shares of company stock at a set (option) price.
  - ❖ Options have value if the stock price rises above the option price; they become worthless if the stock price falls below the option price.

# **From Theory to Practice: Guidelines for Motivating Employees**

- Recognize individual differences
- Match people to jobs
- Use goals
- Ensure that goals are perceived as attainable
- Individualize rewards
- Link rewards to performance
- Check the system for equity
- Use recognition
- Show care and concern for employees
- Don't ignore money

# Terms to Know

- motivation
- hierarchy of needs theory
- physiological needs
- safety needs
- social needs
- esteem needs
- self-actualization needs
- Theory X
- Theory Y
- Two Factor theory
- hygiene factors
- motivators
- three-needs theory
- need for achievement (nAch)
- need for power (nPow)
- need for affiliation (nAff)
- goal-setting theory
- self-efficacy
- reinforcement theory
- reinforcers
- job design
- job scope
- job enlargement

## Terms to Know (cont'd)

- job enrichment
- job depth
- job characteristics model (JCM)
- skill variety
- task identity
- task significance
- autonomy
- feedback
- equity theory
- referents
- distributive justice
- procedural justice
- expectancy theory
- compressed workweek
- flexible work hours (flextime)
- job sharing
- telecommuting
- open-book management
- employee recognition programs
- pay-for-performance programs
- stock options



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