

# Chapter 11 - Motivating Employees

## Kreitner/Eliason Foundations of Management

### I. Motivation Theories

#### A. Maslow's Needs Hierarchy Theory

Most individuals are not consciously aware of these needs; yet we all supposedly proceed up the hierarchy of needs, one level at a time.

##### 1. Physiological Needs

- Needs based on physical drives, such as the need for food, water, and sleep.
- These needs are basic to survival.

##### 2. Safety Needs

- Needs stemming from the concern about safety from the elements, enemies, and other threats.
- Achieved by earning a living, unemployment assistance, and insurance.

##### 3. Love Needs

- Striving for a sense of belonging in groups.

##### 4. Esteem Needs

- Self-respect is the key to esteem needs, and typically comes from being accepted and respected by others.
- Esteem needs cannot be met without the fulfillment of the lower-level needs.

##### 5. Self-Actualization Needs

- Top level in Maslow's Hierarchy of Needs.
- Striving to become everything of which one is capable of.

##### 6. Relevance of Maslow's Theory for Managers

- Teaches managers that a fulfilled need does not motivate an individual
- Encourages managers to anticipate emerging needs of each employee.

#### B. Herzberg's Two-Factor Theory

Implies that a satisfied employee is motivated from within to work harder and that a dissatisfied employee is not self-motivated.

##### 1. Dissatisfiers and Satisfiers

- Dissatisfaction is synonymous with complains about the job context or factors in the work environment.
- Satisfaction is centered on the nature of the task itself, as employees appear to be motivated by job content.

## 2. Implications of Herzberg's Theory

- One person's dissatisfier may be another's satisfier.
- Emphasizes the motivating potential of meaningful work.

## C. Job Enrichment Theory

Job enrichment is redesigning a job to increase its motivating potential.

Job enrichment occurs through the improvement of five work dimensions:

- Skill Variety – degree to which a job requires a variety of skills and talents of the person.
- Task Identity – degree to which a job is completed from beginning to end with a visible outcome.
- Task Significance – degree to which a job has an impact on other people.
- Autonomy – degree to which a job allows the employee freedom and independence.
- Job Feedback – degree to which the employee receives direct and clear information about the effectiveness of his or her performance

## D. Expectancy Theory

Expectancy theory is a model based on the assumption that motivational strength is determined by perceived probabilities of success

### 1. A Basic Expectancy Model

- The motivational strength of an individual increases as they perceive increased effort-performance and performance-reward probabilities

### 2. Relevance of Expectancy Theory for Managers

- Effort → Performance → Reward
- Expectations of the employee determine whether motivation will be high or low
- Managers can implement training and good listening skills to enhance employee performance
- Employees work harder when they have a good chance of receiving personally meaningful rewards

## E. Goal-Setting Theory

Goal setting is the method of improving the performance of an individual or group through the use of objectives, deadlines, or quality standards that are formally stated.

### 1. A General Goal-Setting Model

- Properly conceived goals prompt a motivational process that enhances performance

## 2. Personal Ownership of Challenging Goals

- Through participation in the goal-setting process, each individual receives personal ownership in the goals
- Goals are effective if they are specific, difficult, and participatively set

## 3. How Do Goals Actually Motivate?

- Goals motivate by directing attention, encouraging effort and persistence, and fostering goal-attainment strategies and action plans

## 4. Practical Implications of Goal-Setting Theory

- The forces behind motivation of goal setting are the same in each environment

## II. Motivation Through Rewards

Rewards are material and psychological payoffs for performing tasks. Managers have linked job performance and satisfaction to rewards. Rewards can vary in type and scope, depending on place of employment.

### A. Extrinsic Versus Intrinsic Rewards

- Extrinsic rewards are granted by another individual, and can include money, benefits, or promotions
- Intrinsic rewards are self-granted and internally experienced payoffs, such as a sense of accomplishment, self-esteem, and self-actualization

### B. Employee Compensation

- Money is the universal extrinsic reward
- Approximately two-thirds of all business expenses are due to labor costs
- Compensation must be effective and efficient

### C. Improving Performance with Extrinsic Rewards

#### 1. Rewards Must Satisfy Individual Needs

- Not all individuals need the same things at the same time
- Cafeteria compensation is a plan that lets each employee select their own benefit package
- Nonwage benefits comprise a large portion of total compensation

#### 2. Employees Must Believe Effort Will Lead to Reward

- A reward must be perceived as attainable for an employee to strive for the attractive reward

### 3. Rewards Must Be Equitable

- Equitable rewards are perceived as fair and just
- The personal equity scale explains the relationship between effort and rewards
- The social equity scale compares personal effort and rewards with those of another person in the same situation
- Individuals are motivated to seek equity and avoid inequity
- Inequity contributes to feelings of dissatisfaction, anger, jealousy, or guilt

### 4. Rewards Must Be Linked to Performance

- There should be an if-then relationship between task performance and extrinsic rewards
- Managers need to provide rewards based on performance of each employee
- Performance-based rewards include piece-rate, sales commission, merit pay, profit sharing, gain sharing, and stock option plans
- Managers must ensure goals and incentives are ethical in nature

## III. Motivation Through Employee Participation

Participative management is the process of empowering employees to assume greater control of the workplace.

### A. Open-Book Management

- Is the process of allowing all employees to view the financial statements of the company, including education regarding the analysis of the statements
- Allows each employee to personally see how their involvement affects corporate success or failure
- The four-step approach to open-book management is share, teach, empower, and pay
  - Share the key financial data
  - Teach employees how to interpret the reports
  - Empower employees to make decisions for success
  - Pay employees a fair share of the profits

### B. Self-Managed Teams

Self-managed teams are work groups that assume management tasks as part of their daily work routine. Such teams consist of five to thirty assigned members, depending on the job assignment.

#### 1. Vertically Loaded Jobs

- Non-managerial team members assume duties traditionally performed by managers

- In some cases, teams are allowed to manage budgets, conduct performance appraisals, hire team members, and in rare instances, fire employees.

## 2. Managerial Resistance

- The most important barrier to self-managed teams, it represents large change in the company

## C. Keys to Successful Employee Participation Programs

- The four factors are a profit-sharing or gain-sharing plan, a long-term employment relationship with good job security, a concerted effort to build and maintain group cohesion, and protection of the rights of each individual employees
- To make sure the business environment is supportive, background work must be done

## IV. Motivation through Quality-of-Worklife Programs

Managers must be flexible and understanding for each employee.

### A. Flexible Work Schedules

Flextime is a work schedule that allows each employee to choose arrival and departure on the job, within set boundaries. The fixed core time is the part of the day in which every employee must be present in the workplace.

#### 1. Benefits

- Flexible work schedules provide for better employee and supervisor relationships, reduce absences, and has a selective positive impact on performance
- Brings a degree of independence to each employee

#### 2. Alternatives

- Compressed work weeks entails the employee working forty hours or more in less than five workdays
- Permanent part-time employees work fewer than forty hours each work week
- Job sharing allows two part-time employees to share the responsibilities of a single full-time position

### B. Family Support Services

- The Family and Medical Leave Act requires the employer to provide up to twelve weeks of unpaid leave per year for personal reasons including illness, birth, and adoption; only applies to businesses with more than fifty employees

### C. Wellness Programs

- Features include stress reduction, healthy eating and living clinics, weight-loss and smoking-cessation programs, exercise facilities, massage breaks, and health screenings

### D. Sabbaticals

- An extended period of paid time off allows the employee to enjoy family recreation or travel.
- Sabbaticals are often used to refresh dedicated employees to bolster motivation and loyalty to the company

#### Reference:

Kreitner, Robert (2005) Foundations of Management: basics and best practices, Houghton Mifflin Company, New York.