

MGC1010: Introduction to Management

Week 8: The carrot or the stick? Motivating staff.

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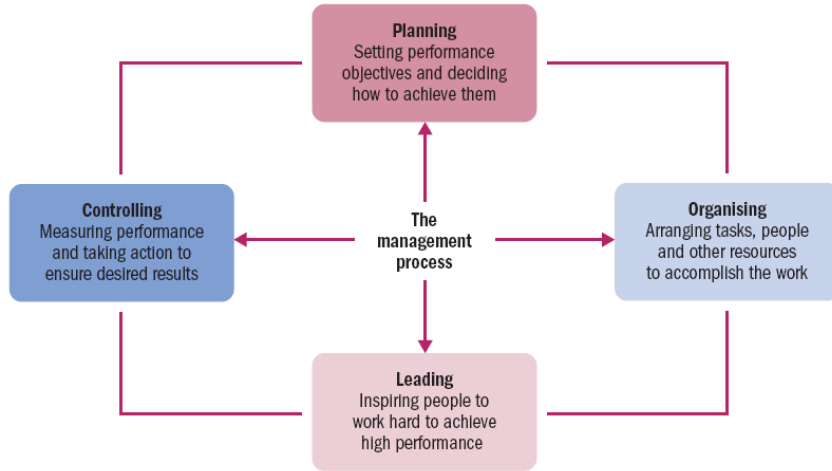


OVERVIEW OF TODAY'S LECTURE

- What is motivation?
- What are the process theories of motivation and why is self-efficacy so important?
- What role does reinforcement play in motivation?
- What are the trends in motivation and remuneration?

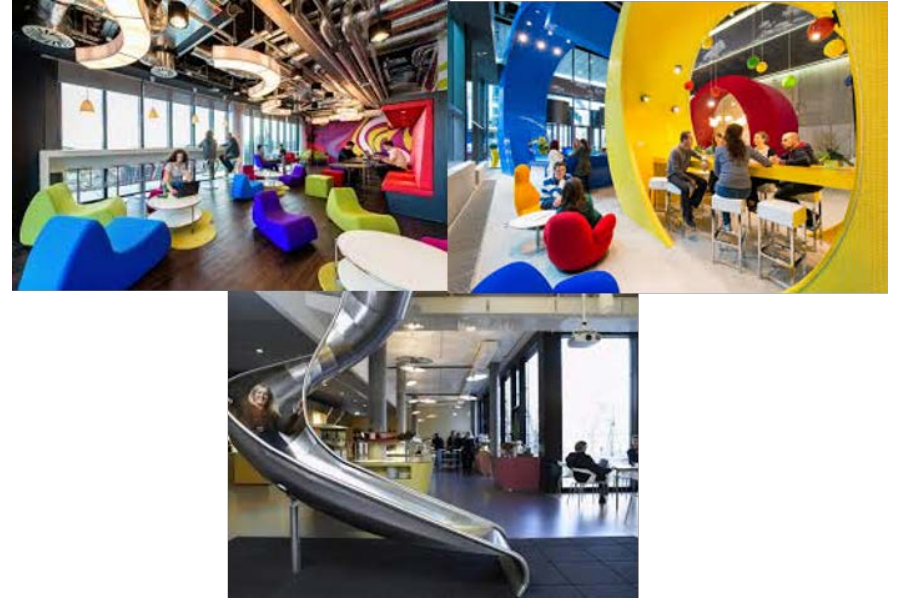


MOTIVATION AND MANAGEMENT



- Motivation is integral to the functions of management
- Productivity (high levels of performance effectiveness and efficiency) is often the measure of organisational success
- Managers are largely responsible in ensuring its achievement

FOOD FOR THOUGHT: WHAT MOTIVATES YOU?



MOTIVATION...

- What makes some people work hard while others do as little as possible?
- How can I, as a manager, influence the performance of people who work for me?
- Why do people leave, show up late for work, and miss work entirely?



The Four Drives That Underlie Motivation (Nohria et al., 2008)

■ Drive to acquire

- Acquiring scarce goods bolster our sense of well-being.
- Both physical goods (i.e. food, cars) and experiences (i.e. travel, promotion, corner office)
- Social comparison drives us to acquire more things.

■ Drive to bond

- Naturally, we have a tendency to want to bond with parents, kinship group, or tribe.
- In organisations → feeling that they belong to the organisation often leads to boost in levels of motivation.

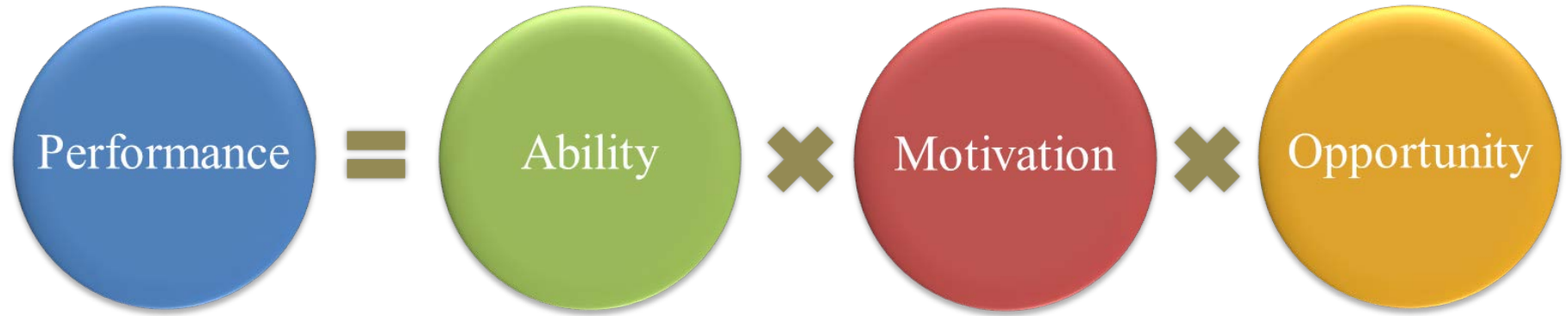
■ Drive to comprehend

- We want to make sense of the world around us
- In the workplace, manifested in the desire to make a meaningful contribution.
- Employees are motivated by challenging jobs which enable them to grow and learn

■ Drive to defend

- Rooted in the fight or flight response against external threats.
- In organisations, often manifested in resistance towards change

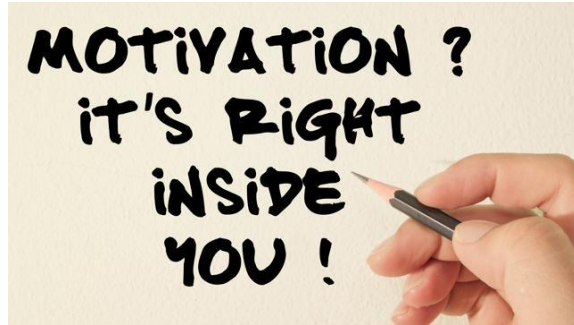
THE PERFORMANCE EQUATION



WHAT IS MOTIVATION?

Motivation: forces within the individual that account for the level, direction and persistence of effort expended at work.

A highly motivated workforce is **indispensable** to the achievement of sustained high-performance results.



- A reward is a work outcome of positive value to the individual.
 - Extrinsic rewards are externally administered. They are valued outcomes given to someone by another person.
 - Intrinsic rewards are self-administered (the feelings of competency, personal development and self-control people experience in their work).

ANTECEDENTS OF MOTIVATION

■ Individual characteristics

- Internal or **'push'** forces of motivation:
 - consisting of *needs*
 - e.g. security, achievement, attitudes and goals

■ Social characteristics

- How we are socialised into work or a particular organization
- Supervisor, workgroup dynamics
- Desire to be part of an 'in-group'
- Cultural role of work

■ Job characteristics

- External or **'pull'** forces of motivation:
 - includes level of feedback, workload, task variety, and level of autonomy.

■ Work situation characteristics

- The immediate social environment
- Organisational actions
- Reward and compensation systems

EXPLAINING MOTIVATION

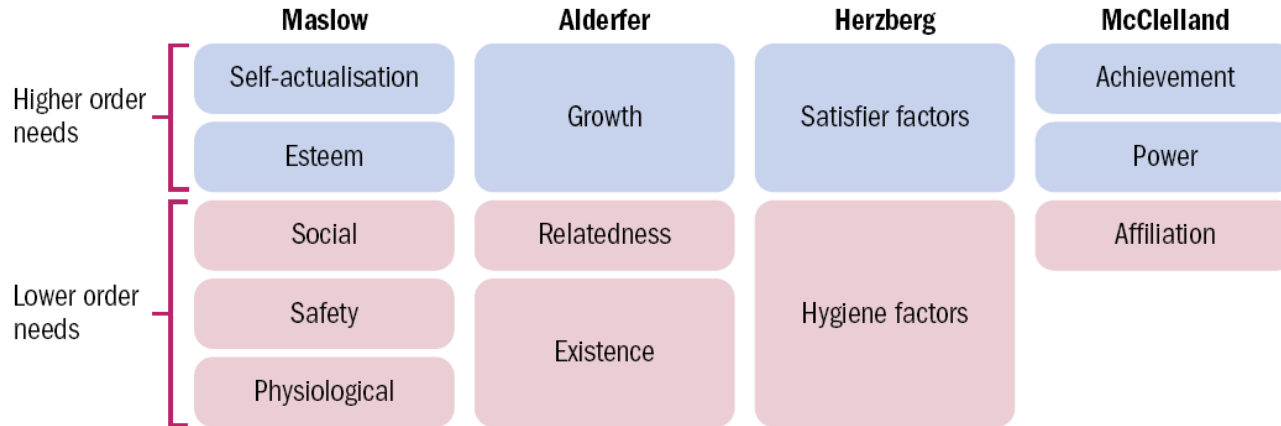
- Content theories help us to understand human needs.
- Process theories offer additional insights into how people give meaning to rewards.
- Reinforcement theory focuses attention on the environment as a major source of rewards.

Content Theories	Process Theories	Reinforcement Theory
▪ Maslow's Hierarchy of Needs ▪ Alderfer's ERG Theory ▪ Herzberg's Two Factor Theory ▪ McClelland's Acquired Needs Theory	▪ Vroom's Expectancy Theory ▪ Adams' Equity Theory ▪ Locke's Goal Setting Theory	▪ Skinner's Reinforcement Theory

CONTENT THEORIES

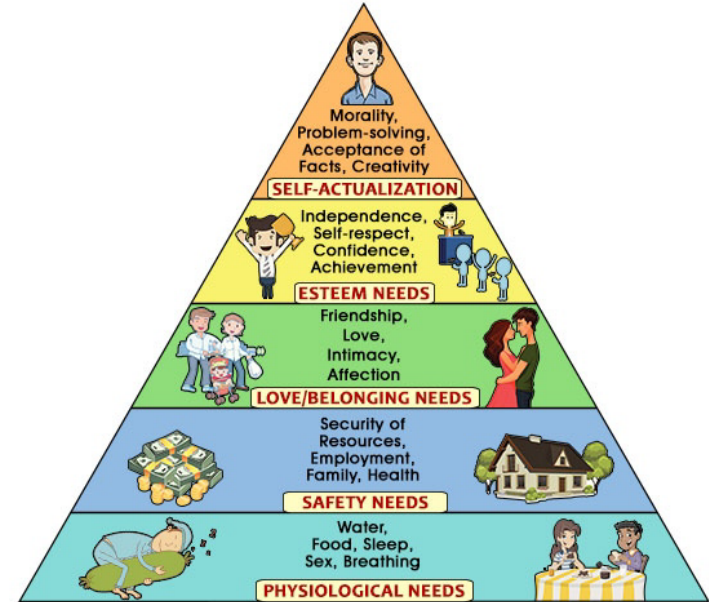
Needs: unfulfilled physiological or psychological desires of an individual.

- All people have *needs*, and engage in behaviours to obtain extrinsic and intrinsic rewards to satisfy these *needs*.
- *Needs* cause tensions that influence attitudes and behaviours.



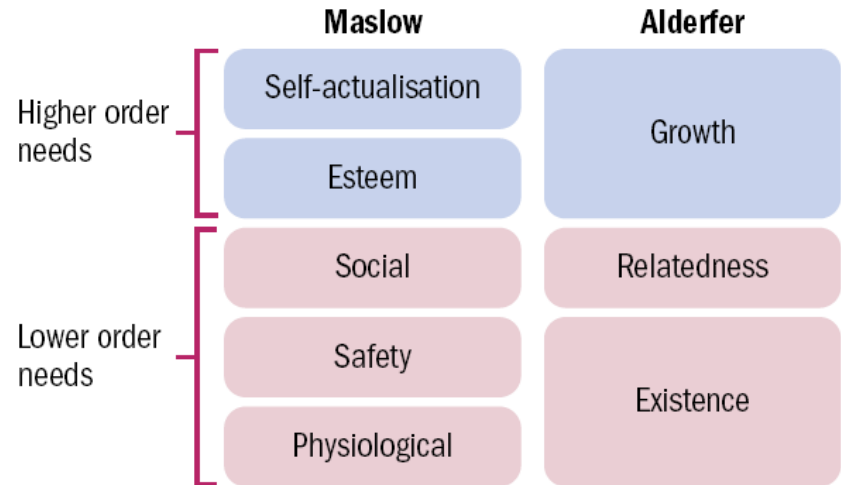
CONTENT THEORIES: MASLOW'S HIERARCHY OF NEEDS

- Lower order needs: Physiological, safety and social concerns.
- Higher order needs: Esteem and self-actualisation concerns.
- The **deficit principle** states that a satisfied need is not a motivator. People are expected to act in ways that satisfy deprived needs.
- The **progression principle** states that a need at one level does not become activated until the next need is already satisfied. People advance through the hierarchy step-by-step.



CONTENT THEORIES: ALDERFER'S ERG THEORY

- The existence, relatedness and growth (ERG) theory collapses Maslow's five needs categories into three.
 - *Existence* needs are desires for physiological and material wellbeing.
 - *Relatedness* needs are desires for satisfying interpersonal relationships.
 - *Growth* needs are desires for continued psychological growth and development.
- Does not assume that lower level needs must be satisfied to activate higher level needs.

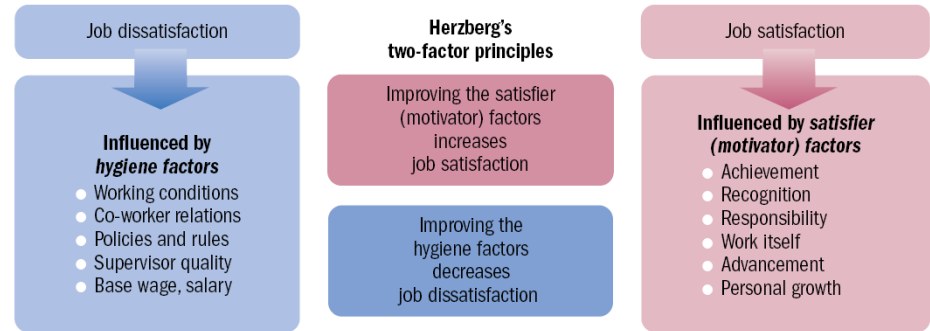


CONTENT THEORIES: HERZBERG'S TWO FACTOR THEORY

Satisfier factors are found in job content, such as a sense of achievement, recognition, responsibility, advancement and personal growth.

Hygiene factors are found in the job context, such as working conditions, interpersonal relations, organisational policies and salary.

Improving hygiene factors can make people less dissatisfied with these aspect of work, but do not in themselves increase satisfaction.



CONTENT THEORIES: McCLELLAND'S ACQUIRED NEEDS THEORY

Need for achievement (nAch) is the desire to do something better or more efficiently, to solve problems, or to master complex tasks.

Need for power (nPower) is the desire to control other people, to influence their behaviour, or to be responsible for them.

Need for affiliation (nAff) is the desire to establish and maintain friendly and warm relations with other people.

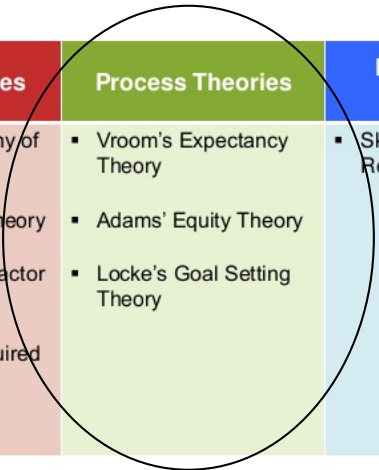
Two forms of power needs:

- **Need for personal power:** Exploitative and involves manipulation for the pure sake of personal gratification.
- **Need for social power:** Uses power in a socially responsible way, directed towards group or organisational objectives rather than personal ones. This need for social power is essential to managerial leadership.

PROCESS THEORIES: HOW ARE WE MOTIVATED?

- Process theories of motivation add to managers' understanding of individual differences.
- The equity, expectancy and goal-setting theories each offer advice on how people make choices to work hard or not based on:
 - Individual preferences
 - Available rewards
 - Possible work outcomes

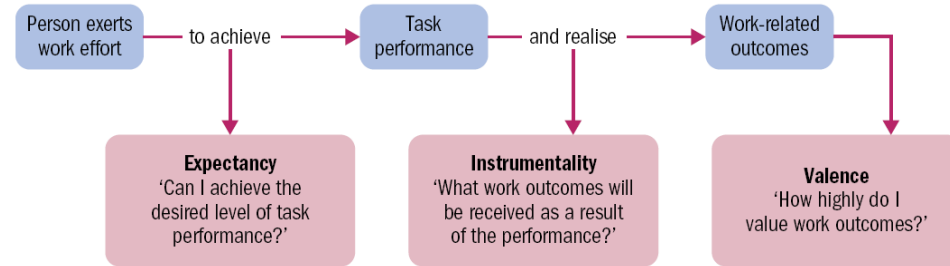
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PROCESS THEORIES: VROOM'S EXPECTANCY THEORY

Motivation depends on relationship between three factors.

- **Expectancy:** Belief that working hard will result in a desired level of task performance being achieved (effort–performance expectancy).
- **Instrumentality:** Belief that successful performance will be followed by rewards (performance–outcome expectancy).
- **Valence:** The value a person assigns to the possible rewards and other work-related outcomes.



PROCESS THEORIES: VROOM'S EXPECTANCY THEORY

- Expectancy theory posits that motivation (M), expectancy (E), instrumentality (I) and valence (V) are related to one another in a multiplicative fashion:
 - $M = E \times I \times V$.
 - Mathematically speaking, a zero at any location on the right-hand side of the equation (that is, for E, I or V) will result in zero motivation.

To maximise expectancy

Make the person feel competent and capable of achieving the desired performance level

- Select workers with ability
- Train workers to use ability
- Support work efforts
- Clarify performance goals

To maximise instrumentality

Make the person confident in understanding which rewards and outcomes will follow performance accomplishments

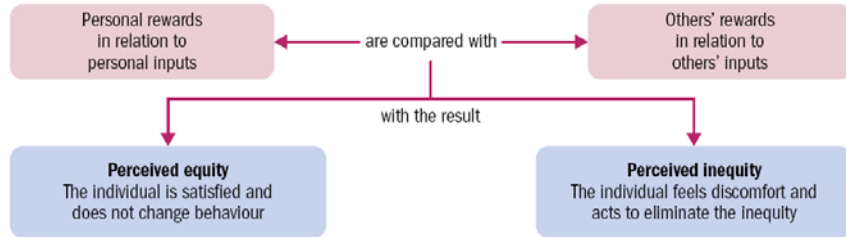
- Clarify psychological contracts
- Communicate performance–outcome possibilities
- Demonstrate what rewards are contingent on performance

To maximise valence

Make the person understand the value of various possible rewards and work outcomes

- Identify individual needs
- Adjust rewards to match these needs

PROCESS THEORIES: ADAM'S EQUITY THEORY



- Motivation = managing fairly
- Organisational justice: people's perception of fairness in organisations, consisting of perceptions regarding how decisions are made concerning the distribution of outcomes.



PROCESS THEORIES: LOCKE'S GOAL-SETTING THEORY

■ Goal-setting theory:

- Task goals can be highly motivating. Goals give direction to people in their work and clarify performance expectations.
- Opportunity to receive feedback on goal achievement is essential to motivation.



Goal-setting conditions:

- **Specific** (exact level of attainment)
- **Difficult** (dependent on skill and experience of worker)
- **Accepted** (tell versus tell and sell)
- **Feedback about progress** (provides knowledge of results)
- Far better than asking employees “to do their best”

REINFORCEMENT THEORY

Reinforcement theory views human behaviour as determined by its environmental consequences.

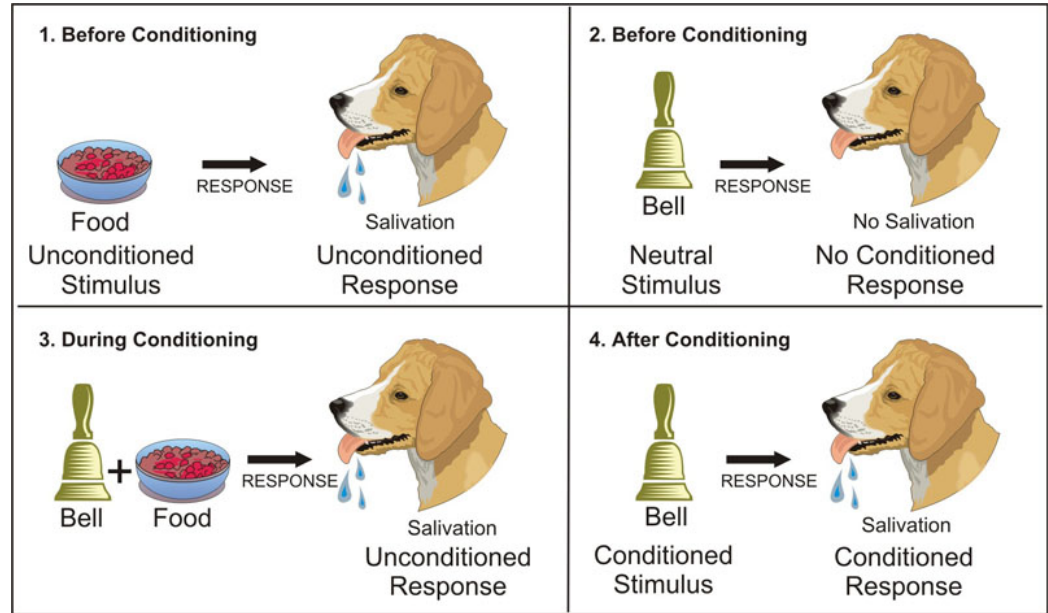
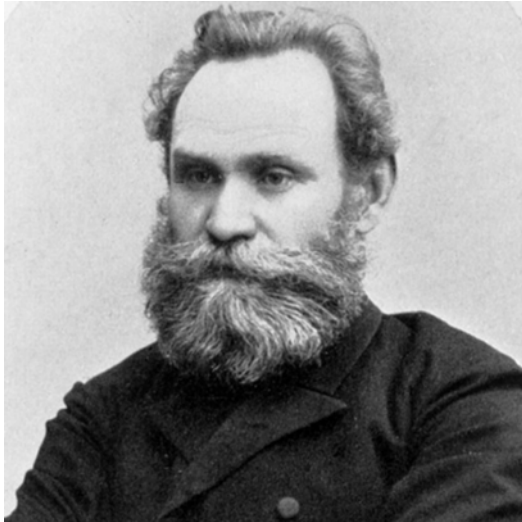
- **The law of effect (Thorndike)** : Behaviour that results in a pleasant outcome is likely to be repeated; behaviour that results in an unpleasant outcome is not likely to be repeated.
- **Operant conditioning (Skinner)**: The control of behaviour by manipulating its consequences (learning by reinforcement).
- **Organisational behaviour modification (OB Mod)**: The application of operant conditioning to influence human behaviour at work.

Four strategies of reinforcement are used: Positive reinforcement; Negative reinforcement; Punishment and Extinction.

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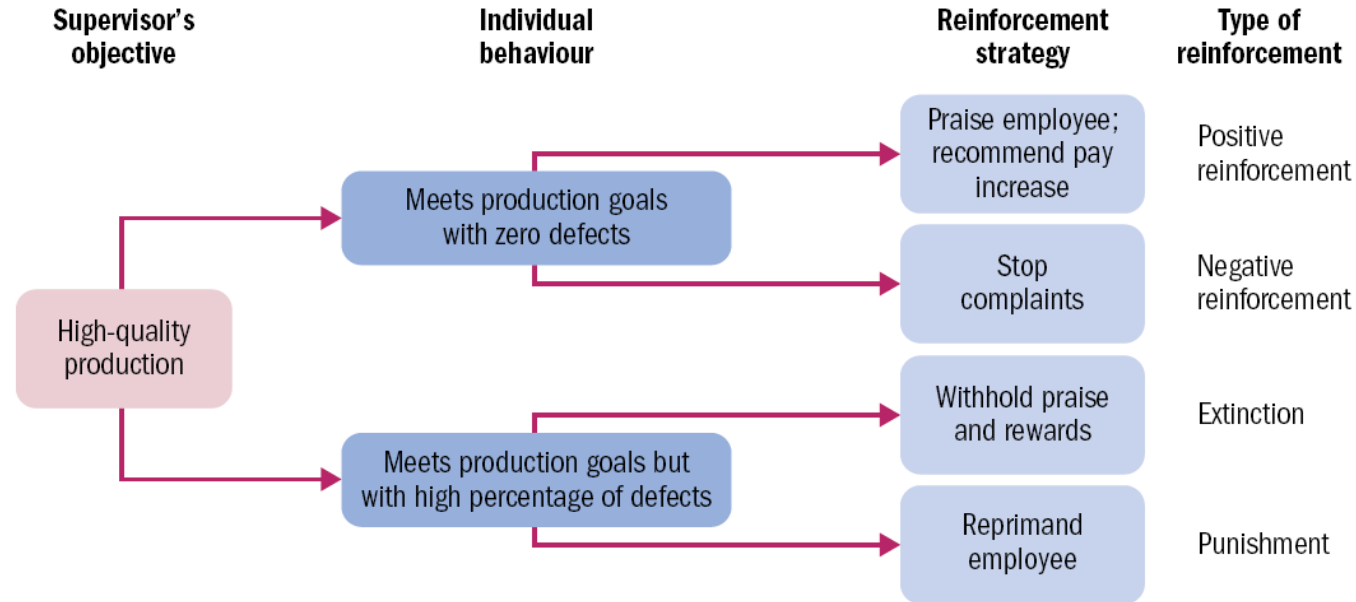
REINFORCEMENT THEORY: CLASSICAL CONDITIONING

■ Pavlov's Experiment



Classical Conditioning

REINFORCEMENT THEORY



WHAT ABOUT MONEY?



The Meaning of Money (Mitchell & Mickel, 1999)

"Money is probably the most emotionally meaningful object in contemporary life: only food and sex are its close competitors as common carriers of such strong and diverse feelings, significance, and strivings" ("Krueger, 1986, p. 3)

- In the management literature, focus is on money as payment, and how pay affects motivation, job attitudes, and action.
- Authors argue that money beliefs and values vary across individuals.
- Role of money in motivation is significant, but not the only thing that drives motivation, job attitudes, and action.

FOOD FOR THOUGHT: DOES MONEY MOTIVATE US?



WHAT ABOUT GENERATIONS? Wong et al., 2008

- Proliferation among pop-culture management literature focusing on the need to manage for generational differences.
- But, do these differences actually exist? Are they statistically significant?
- Authors found:
 - Differences across generations very negligible
 - Gen Y are the least optimistic
 - Gen X and baby boomers more motivated by power and ability to influence and exercise authority
 - Gen Y tended to be more motivated by progression
 - Age and stage of life are most likely drivers of differences, rather than generational values
 - i.e. Baby boomers are at the end of their working life, so progression is not as important compared to Gen Y and Gen X.

NEXT WEEK:

THROUGH THE LOOKING GLASS: CRITICAL PERSPECTIVES OF MANAGEMENT

