

# Importance of Motivation

# Module Learning Outcomes

Recognize the importance of employee motivation and how to promote it

- 1.1: Explain the importance of employee motivation in an organization
- 1.2: Explain needs-based theories of motivation
- 1.3: Explain process-based theories of motivation
- 1.4: Describe the job characteristics that affect motivation
- 1.5: Explain goal-setting theory
- 1.6: Explain reinforcement theory
- 1.7: Explain the manager's role in promoting motivation

# Learning Outcomes: The Importance of Employee Motivation

1.1: Explain the importance of employee motivation in an organization

1.1.1: Explain the importance of employee motivation in an organization

1.1.2: Distinguish between internal and external motivation

# Understanding the Importance of Employee Motivation

- Employee motivation is of great concern to any organization
- Recent surveys show “the ratio of disengaged to actively engaged employees is roughly 2-to-1, meaning that the vast majority of U.S. workers (70%) are not reaching their full potential”
- Manager’s ability to motivate employees requires gaining understanding of different types of motivation



# Types of Motivation

- Motivation is collection of factors that affect what people choose to do, and how much time and effort they put into doing it
- **Intrinsic:** internal sources of motivation
  - Interests, beliefs, personal pride, skill development and competency
  - Personal enjoyment, sense of accomplishment, power, social status
- **Extrinsic:** motivation from outside individual
  - Tangible rewards (commissions, bonuses, raises, promotions, additional time off work)



# Learning Outcomes: Needs-Based Theories of Motivation

## 1.2: Explain needs-based theories of motivation

1.2.1: Differentiate between Maslow's hierarchy of needs and Herzberger's two-factor theory of needs

1.2.2: Explain Alderfer's existence-relatedness-growth theory

1.2.3: Explain McClelland's acquired-needs theory

# Maslow's Hierarchy of Needs

- Based on premise that human beings are motivated by needs ranked in order hierarchically
  - Physiological needs: Air, food, water, etc.
  - Safety: Physical safety and security and employment security
  - Social: Need to bond with other humans (love, friendship, family)
  - Esteem: Desire to be respected by one's peers & feel important
  - Self-actualization: "becoming all you are capable of becoming"

# Two-Factor Theory

- Frederick Herzberg asked employees what was satisfying and dissatisfying
- Found that certain factors had to be met and didn't raise satisfaction
- However, if these factors weren't met- strong dissatisfaction
  - Company policies, supervision, working conditions, salary, safety, and security on the job
- Strongest motivators are interesting work, responsibility, achievement, recognition, growth, and advancement.



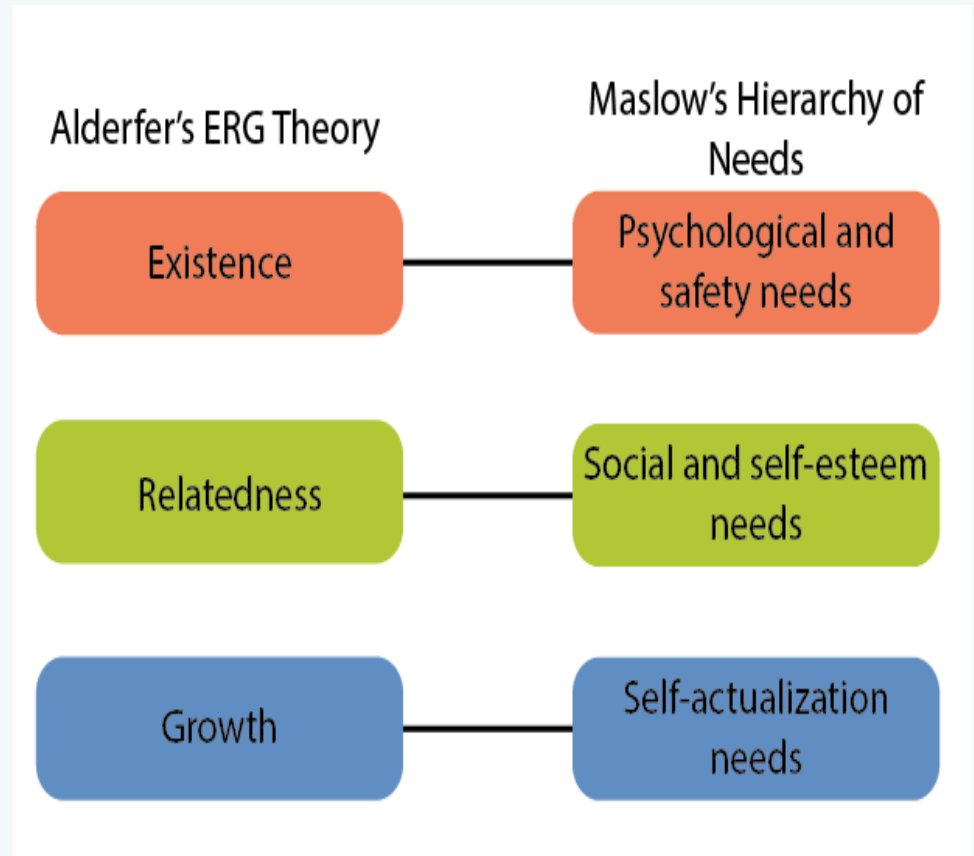
# Practice Question 1

Why is Maslow's theory organized as a hierarchy?

1. Maslow believed that some needs were more important than others.
2. Maslow believed that all needs must be met in order to achieve motivation.
3. Maslow believed that ranking the needs made his theory easier to understand.
4. Maslow believed that the needs lower in the hierarchy had to be met before the higher needs could be attained.

# ERG Theory

- Modified Maslow's hierarchy of needs- existence, relatedness, and growth
- Doesn't force order of needs fulfillment and supports pursuit of different levels simultaneously
- Theory suggests managers will need to help regressing employees see importance of pursuit of higher needs to personal growth



# Acquired Needs Theory

- People who have strong need to be successful have high need for achievement
- People with high need for affiliation value building relationships
- Managers with high need for affiliation may find it difficult to deliver unpleasant news and critical feedback- will need to see value of providing feedback
- People with high need for power are motivated to influence others and control their environment- focus on larger strategy

# Learning Outcomes: Process-Based Theories of Motivation

- 1.3: Explain process-based theories of motivation
  - 1.3.1: Explain equity theory
  - 1.3.2: Differentiate between procedural justice and interactional justice
  - 1.3.3: Explain expectancy theory

# Equity Theory

- About perceived fairness- motivation depends on comparison to others (referent)
- Employee compares input and output to colleagues
- If employee feels he is putting more into job than what he gets out, he will become de-motivated, disgruntled, and even disruptive



# Procedural and Interactional Justice

- Procedural Justice- degree to which fair decision-making procedures are used
- Interactional Justice- focuses on employees' perceptions of quality of interpersonal treatment received during organizational procedures

# Expectancy Theory

- Focuses on cognitive process- argues that motivation depends on strength of expectation that activity will result in consistent and favorable outcome for an individual
- Three components
  - Expectancy: belief that employee can accomplish goal
  - Instrumentality: asks if management will honor bargain
  - Valence: degree to which employee values rewards
- Explains why workers may be motivated to work hard in job or provide minimal effort to simply get by

# Practice Question 2

What is the common denominator of needs and process-based theories of motivation?

1. Companies need to address the 70/30 ratio of unmotivated to motivated employees to be successful.
2. Managers are responsible for the motivation of their direct reports.
3. Motivation is a product of the human psyche.
4. Incentives are the best method of employee motivation.



# Learning Outcomes: Job Characteristics that Affect Motivation

1.4: Describe the job characteristics that affect motivation

1.4.1: Describe the job characteristics that affect motivation

# Job Rotation

- Involves periodically shifting employee from one task or job to another in effort to decrease boredom
- By cross-training, companies have found reductions in repetitive motion injuries and turnover
- Used by Lincoln Electric as well as McDonald's



# Job Enlargement

- Expanding jobs by increasing number and variety of tasks individual performs
- Seeks to motivate workers through reversing specialization
- Mixed results in 1993 study- looked at job enlargement efforts among staff and managers in financial services industry
  - Extra work resulted in less satisfaction and efficiency
  - Created stressful overload and lead to errors

# Job Enrichment

- Refers to vertical expansion of jobs
- Increases degree to which employee also controls planning and evaluation of work they execute
- Enriched jobs increase employee's independence and responsibility
- Also provides feedback so employee can evaluate and improve own performance

# Learning Outcomes: Goal-Setting Theory

- 1.5: Explain goal-setting theory
  - 1.5.1: Explain goal-setting theory

# Understanding Goal-Setting Theory

- Goals must be **specific** enough to answer who, what, when, where, why, and how- employees perform better when given specific goals
- Goal **commitment** is degree of determination person uses to achieve accepted goal
- Goal must present **challenge** to individual but still be attainable- must be specific to each individual person to increase their motivation
- **Feedback** is ongoing requirement to be aware of progression or regression- receive feedback on how well they are progressing towards goals



# Learning Outcomes: Reinforcement Theory

- 1.6: Explain reinforcement theory
  - 1.6.1: Explain reinforcement theory

# Understanding Reinforcement Theory

- Focuses on what happens to an individual when they perform some task or action
- See behavior as being environmentally controlled-theories are controlled by reinforces which increases probability behavior will be repeated
- Can be useful if you put with combination of other theories (goal-setting)
- Manager who uses this risks offending employees



# Class Discussion: Motivation Theories

Break into small groups. You are a manager of a group of 10 employees. Reflect on Needs, Process, Goal-setting, and Reinforcement theories of motivation.

Develop a six-point agenda for individual employee meetings that you would use to gather information to develop your employee motivation strategy.

# Learning Outcomes: A Manager's Role in Motivating Employees

1.7: Explain reinforcement theory

1.7.1: Explain how companies address basic needs

1.7.2: Explain how managers can individualize motivation strategies

# Addressing Basic Needs

- All needs and process-based theories of motivation can be addressed
  - Companies start by paying appropriate wage
    - Must be enough so employee's aren't distracted by mortgage
  - Sense of belonging fulfilled by having jobs aligned to clear common purpose
    - Social interactions (formal and informal)
    - Clearly apply rewards and recognition



# Managers Are Motivators

- Managers have greatest influence on employee's motivation
- Even though someone's manager can't entirely affect company's structure, culture, and reward system, manager can link performance to recognition, bonuses, and good work assignments
- Manager who most directly promotes and implements any policies
- Best managers are able to meet each employee's most important needs
- All employees will have different needs for autonomy and areas they'd like to focus on
- All employees need to see work is tied to common purpose of team and company

# Practice Question 3

What is the most important factor of reinforcement and goal-setting theory?

1. The size of the bonus.
2. The attainability of the goal.
3. The fairness of the wage.
4. The skill of the manager.

# Quick Review

- What is the importance of employee motivation in an organization?
- Can you distinguish between internal and external motivation?
- Can you differentiate between Maslow's hierarchy of needs and Herzberger's two-factor theory of needs?
- Can you accurately explain Alderfer's existence-relatedness-growth theory?
- Can you easily explain McClelland's acquired-needs theory?
- What is equity theory? The expectancy theory?
- Can you differentiate between procedural justice and interactional justice?
- What are some of the job characteristics that affect motivation?
- What is the goal-setting theory? What is the reinforcement theory?
- Can you explain how companies address basic needs and how managers can individualize motivation strategies?