# 8 Employee Behavior and Motivation

What's the Deal About Work?

The "plight" of the American worker is common subject matter for television shows, movies, and stand-up comedians. The stereotypic image often shows people overworked, underpaid, and generally unhappy about their work life. Unfortunately, this stereotype is all too often a true reflection of what some workers face. Increased competition, longer working hours, heightened pressures to do more with less, economic uncertainty, and technology that "allows" workers to be on call 24/7 are all culprits. Some employees of video game maker Electronic Arts, for example, claim they routinely work between 65 and 85 hours a week without overtime pay; this claim has led to some unhappy workers and at least one lawsuit. Some managers at both Taco Bell and Radio Shack have made similar arguments—they are expected to run a business but must then also do a lot of other chores as well.

The consequences for businesses, in terms of increased employee turnover, lost efficiency, low morale, and so on, are high, and the consequences for workers are even worse. Although statistics are inconclusive, observers report that white-collar injuries, illnesses, and even suicides related to work have risen recently. For instance, one recent study found that 23 percent of male stockbrokers in the United States were clinically depressed, three times the national average. Other studies find that many workers feel overworked and constantly worry about both their job security and financial stability. In Japan, there is even a term for "death by overwork"—*jaroshi*, which is a legally recognized cause of death.[1]

> *After reading this chapter, you should be able to:*
>
> **1** Identify and discuss the basic forms of behaviors that employees exhibit in organizations.
>
> **2** Describe the nature and importance of individual differences among employees.
>
> **3** Explain the meaning and importance of psychological contracts and the person-job fit in the workplace.
>
> **4** Identify and summarize the most important models and concepts of employee motivation.
>
> **5** Describe some of the strategies and techniques used by organizations to improve employee motivation.
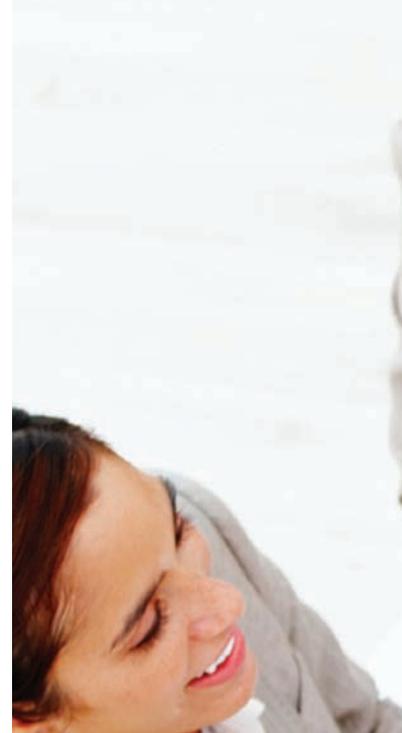
Yet there are also many individuals who find happiness and fulfillment at work. One study describes 40 percent of U.S. workers as excited about their jobs, eager to begin work on Monday mornings, and loving what they do.[2] In many cases, happy workers have jobs that are easy to love. Sandor Zombori was working as an engineer but always longed to cook. He walked away from his job, invested his savings in a restaurant, and 20 years later is the owner and chef of an award-winning restaurant. "All the time, I am soaking it up, like a sponge, trying to learn as much as I can," Zombori explains.

For others, traditional careers hold rewards. Robert Sunday, associate marketing manager of Cheerios brand at General Mills, says about his job, "I truly love it! As the parent of a toddler, it's exciting to have the coolest job at

Jacob Wackerhausen/iStockphoto.com

WHAT'S IN IT FOR ME?

The connections that people have with their jobs can go a long way toward determining how happy employees are with their work. At the extremes, some people truly love their jobs, while others just as truly hate them. Most people, however, fall somewhere in between. By understanding the basic elements of this chapter, you'll be better able to (1) understand your own feelings toward your work from the perspective of an employee and (2) understand the feelings of others toward their work from the perspective of a boss or owner.

So, what causes one employee to work hard and have a positive attitude and another worker to do just enough to get by while constantly grumbling about how awful things are? Successful managers usually have at least a fundamental understanding of what accounts for such differences. To start developing your understanding, let's begin by describing the different forms of behaviors that employees can exhibit at work. Later in the chapter, we'll look at some important models and concepts of employee motivation, as well as some strategies and techniques used by organizations to improve employee motivation.

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preschool." For college professors, nurses, bank loan officers, and others, job happiness often comes from satisfying intellectual curiosity, helping others, giving back to the community, and feeling needed.

Sometimes jobholders can change or define their work in ways that bring them more satisfaction. Richard Karlgaard is the publisher of *Forbes* magazine. At first, his job primarily involved assessing and managing the reporting of financial data, a task he quickly decided was mundane and unexciting. So, he created a new set of responsibilities for himself, serving as an editor-at-large and writing about technology, while leaving most of the financial reporting to others.

Unfortunately, other individuals don't find their jobs rewarding but also cannot change the work they are doing. In these cases, looking elsewhere may be the best option. Mary Lou Quinlan was the CEO of a New York advertising agency, the pinnacle of her profession, but chose to quit and start a small consulting business. The pay is less, but she is happier. "Finally, I'm doing something I can picture doing for a long, long time," Quinlan says.

Forms of Employee Behavior

1 Identify and discuss the basic forms of behaviors that employees exhibit in organizations.

Employee behavior is the pattern of actions by the members of an organization that directly or indirectly influences the organization's effectiveness. Some employee behaviors, called *performance behaviors*, directly contribute to productivity and performance. Other behaviors, referred to as *organizational citizenship*, provide positive benefits to the organization but in more indirect ways. *Counterproductive behaviors* detract from performance and actually cost the organization. Let's look at each of these types of behavior in a bit more detail.

Performance Behaviors

Performance behaviors are the total set of work-related behaviors that the organization expects employees to display. Essentially, these are the behaviors directly targeted at performing a job. For some jobs, performance behaviors can be narrowly defined and easily measured. For example, an assembly-line worker who sits by a moving conveyor and attaches parts to a product as it passes by has relatively few performance behaviors. He or she is expected to remain at the workstation for a predetermined number of hours and correctly attach the parts. Such performance can often be assessed quantitatively by counting the percentage of parts correctly attached.

For many other jobs, however, performance behaviors are more diverse and difficult to assess. For example, consider the case of a research-and-development scientist at Merck Pharmaceuticals. The scientist works in a lab trying to find new scientific breakthroughs that have commercial potential. The scientist must apply knowledge and experience gained from previous research. Intuition and creativity are also important. But even with all the scientist's abilities and effort, a desired breakthrough may take months or even years to accomplish.

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Organizational Citizenship

Employees can also engage in positive behaviors that do not directly contribute to the bottom line. Such behaviors are often called **organizational citizenship.**[3] Organizational citizenship refers to the behavior of individuals who make a positive overall contribution to the organization. Consider, for example, an employee who does work that is highly acceptable in terms of both quantity and quality. However, she refuses to work overtime, won't help newcomers learn the ropes, and is generally unwilling to make any contribution beyond the strict performance requirements of her job. This person may be seen as a good performer, but she is not likely to be seen as a good organizational citizen. Another employee may exhibit a comparable level of performance. In addition, however, she always works late when the boss asks her to, she takes time to help newcomers learn their way around, and she is perceived as being helpful and committed to the organization's success. She is likely to be seen as a better organizational citizen.

A number of factors, including individual, social, and organizational variables, play roles in promoting or minimizing organizational citizenship behaviors. For example, the personality, attitudes, and needs of the individual may cause some people to be more helpful than others. Similarly, the individual's work group may encourage or discourage such behaviors. And the organization itself, especially its corporate culture, may or may not promote, recognize, and reward these types of behaviors.

Counterproductive Behaviors

Still other work-related behaviors are counterproductive. **Counterproductive behaviors** are those that detract from, rather than contribute to, organizational performance. **Absenteeism** occurs when an employee does not show up for work. Some absenteeism has a legitimate cause, such as illness, jury duty, or death or illness in the family. Other times, the employee may report a feigned legitimate cause that's actually just an excuse to stay home. When an employee is absent, legitimately or not, his or her work does not get done at all, a substitute must be hired to do it, or others in the organization must pick up the slack, In any event, though, absenteeism results in direct costs to a business.

Turnover occurs when people quit their jobs. An organization usually incurs costs in replacing workers who have quit—lost productivity while seeking a replacement, training someone new, etc. Turnover results from a number of factors, including aspects of the job, the organization, the individual, the labor market, and family influences. In general, a poor person-job fit (which we'll discuss later in the chapter) is also a likely cause of turnover. There are some employees whose turnover doesn't hurt the business; however, when productive employees leave an organization, it does reflect counterproductive behavior.

Other forms of counterproductive behavior may be even more costly for an organization. *Theft and sabotage*, for example, result in direct financial costs for an organization. *Sexual and racial harassment* also cost an organization, both indirectly (by lowering morale, producing fear, and driving off valuable employees) and directly (through financial liability if the organization responds inappropriately). *Workplace aggression and violence* are also a growing concern in some organizations.

Employee Behavior the pattern of actions by the members of an organization that directly or indirectly influences the organization's effectiveness

Performance Behaviors the total set of work-related behaviors that the organization expects employees to display

Organizational Citizenship positive behaviors that do not directly contribute to the bottom line

Counterproductive Behaviors behaviors that detract from organizational performance

Absenteeism when an employee does not show up for work

Turnover annual percentage of an organization's workforce that leaves and must be replaced

MANAGING IN TURBULENT TIMES

Tragedy in the Workplace

A few years ago, James Davis walked through the doors of the Union Butterfield tool company in Asheville, North Carolina. He had been fired by Union Butterfield just two days before, and now he wanted revenge for what he felt was a grave injustice. To extract that revenge, Davis carried a semiautomatic rifle and a pistol. Once inside the doors, he opened fire, getting off about 50 shots and killing 3 of his former coworkers. After he finished shooting, Davis lit a cigarette and calmly waited for the police to arrive; then he quietly surrendered and was led away in handcuffs.

Unfortunately, tragedies such as this one are not all that uncommon. According to recent statistics, 1 employee is killed at a U.S. workplace by a current or former coworker an average of once each week. In addition, another 25 are seriously injured by violent assaults. Overall, some 2 million U.S. workers are victims of some form of workplace violence each year.

The National Institute for Occupational Safety and Health (NIOSH) defines *workplace violence* as any physical assault, threatening behavior, or verbal abuse that occurs in a work setting. Experts also suggest that U.S. businesses lose billions of dollars each year in lost work time and productivity, litigation expenses, and security measures in the aftermath of workplace violence. Among the most common reasons often given for increasing workplace violence are economic fears regarding job security, heightened concerns for personal safety after the September 11, 2001, terrorist attacks, and generalized stress and anxiety among workers.

The recession of 2008–2010 only served to heighten these concerns. Massive layoffs, few prospects for new jobs, a spike in home foreclosures—any one of these might push a desperate person over the edge. But many people have encountered all three of these setbacks at the same time. Fortunately, most people are resilient and on a relative basis, few resort to the type of twisted revenge James Davis used.

Still, though, managers should be aware of how they treat people. Probably the most important advice is to always treat people with respect, dignity, fairness, and honesty; this
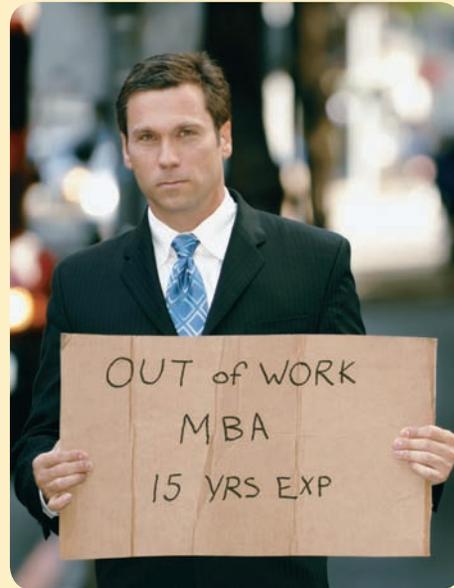
Eric Hood/iStockphoto.com

applies in all conditions, of course, not just during an economic downturn. When it becomes necessary to cut jobs or reduce pay and/or work hours, managers should provide as much advance information as possible so the cuts do not come as a surprise. They should also make sure each person who is being laid off or taking a cut in pay understands the basis for the decision—job performance, seniority, and so forth.
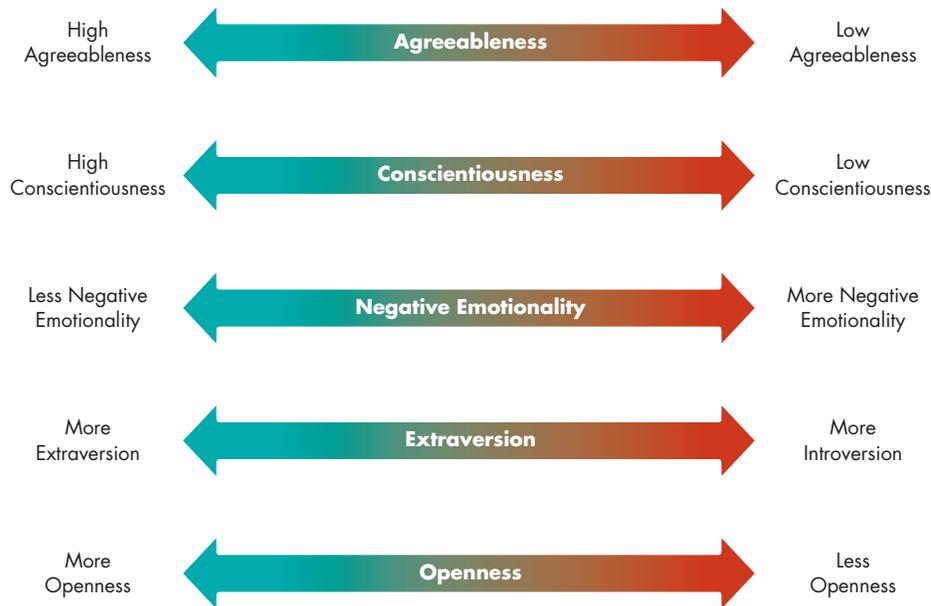
People should also be given a reasonable severance package. Two weeks of pay was once the standard for hourly workers, but some companies in recent times have provided no pay at all. Displaced workers should be informed about future prospects—does the company expect to hire again in the future, and if so, will they be considered for reemployment? Many larger firms also have additional security on-site when large layoffs are being announced.

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2 **Describe the nature and importance of individual differences among employees.**

Individual Differences Among Employees

What causes some employees to be more productive than others, to be better citizens than others, or to be more counterproductive than others? As we already noted, every individual is unique. **Individual differences** are personal attributes that vary from one person to another. Individual differences may be physical, psychological, and emotional. The individual differences that characterize a specific person make that person unique. As we see in the sections that follow, basic categories of individual differences include *personality* and *attitudes*.[4]

High Agreeableness	**Agreeableness**	Low Agreeableness
High Conscientiousness	**Conscientiousness**	Low Conscientiousness
Less Negative Emotionality	**Negative Emotionality**	More Negative Emotionality
More Extraversion	**Extraversion**	More Introversion
More Openness	**Openness**	Less Openness

Figure 8.1 **The "Big Five" Personality Traits**

Personality at Work

Personality is the relatively stable set of psychological attributes that distinguish one person from another. In recent years, researchers have identified five fundamental traits that are especially relevant to organizations. These are commonly called the *"big five" personality traits*. *Emotional intelligence*, while not part of the "big five," also plays a large role in employee personality.

The "Big Five" Personality Traits   The **"big five" personality traits** are shown in Figure 8.1 and can be summarized as follows.

- *Agreeableness* is a person's ability to get along with others. A person with a *high* level of agreeableness is gentle, cooperative, forgiving, understanding, and good-natured in their dealings with others. A person with a *low* level of agreeableness is often irritable, short-tempered, uncooperative, and generally antagonistic toward other people. Highly agreeable people are better at developing good working relationships with coworkers, whereas less agreeable people are not likely to have particularly good working relationships.

- *Conscientiousness* in this context is a reflection of the number of things a person tries to accomplish. *Highly conscientious* people tend to focus on relatively few tasks at one time; as a result, they are likely to be organized, systematic, careful, thorough, responsible, and self-disciplined. *Less conscientious* people tend to pursue a wider array of tasks; as a result, they are often more disorganized and irresponsible, as well as less thorough and self-disciplined. Highly conscientious people tend to be relatively higher performers in a variety of different jobs.

- *Emotionality* refers to the degree to which people tend to be positive or negative in their outlook and behaviors toward others. People with *positive* emotionality are relatively poised, calm, resilient, and secure; people with negative emotionality are more excitable, insecure, reactive, and subject to mood swings. People with

Individual Differences personal attributes that vary from one person to another

Personality the relatively stable set of psychological attributes that distinguish one person from another

"Big Five" Personality Traits five fundamental personality traits especially relevant to organizations

positive emotionality might be expected to better handle job stress, pressure, and tension. Their stability might also lead them to be seen as being more reliable than their less-stable counterparts.

- *Extraversion* refers to a person's comfort level with relationships. *Extroverts* are sociable, talkative, assertive, and open to establishing new relationships. *Introverts* are much less sociable, talkative, and assertive, and more reluctant to begin new relationships. Extroverts tend to be higher overall job performers than introverts and are more likely to be attracted to jobs based on personal relationships, such as sales and marketing positions.

- *Openness* reflects how open or rigid a person is in terms of his or her beliefs. People with *high* levels of openness are curious and willing to listen to new ideas and to change their own ideas, beliefs, and attitudes in response to new information. People with *low* levels of openness tend to be less receptive to new ideas and less willing to change their minds. People with more openness are often better performers due to their flexibility and the likelihood that they will be better accepted by others in the organization.

The "big five" framework continues to attract the attention of both researchers and managers. The potential value of this framework is that it encompasses an integrated set of traits that appear to be valid predictors of certain behaviors in certain situations. Thus, managers who can both understand the framework and assess these traits in their employees are in a good position to understand how and why they behave as they do.[2]

Emotional Intelligence   The concept of emotional intelligence has also been identified in recent years and provides some interesting insights into personality. **Emotional intelligence,** or **emotional quotient (EQ),** refers to the extent to which people are self-aware, can manage their emotions, can motivate themselves, express empathy for others, and possess social skills.[5] These various dimensions can be described as follows:

- *Self-awareness* refers to a person's capacity for being aware of how they are feeling. In general, more self-awareness allows people to more effectively guide their own lives and behaviors.

- *Managing emotions* refers to a person's capacities to balance anxiety, fear, and anger so that they do not overly interfere with getting things accomplished.

- *Motivating oneself* refers to a person's ability to remain optimistic and to continue striving in the face of setbacks, barriers, and failure.

- *Empathy* refers to a person's ability to understand how others are feeling even without being explicitly told.

- *Social skills* refers to a person's ability to get along with others and to establish positive relationships.

Preliminary research suggests that people with high EQs may perform better than others, especially in jobs that require a high degree of interpersonal interaction and that involve influencing or directing the work of others. Moreover, EQ appears to be something that isn't biologically based but which can be developed.

Attitudes at Work

People's attitudes also affect their behavior in organizations. **Attitudes** reflect our beliefs and feelings about specific ideas, situations, or other people. Attitudes are important because they are the mechanism through which we express our feelings. An employee's comment that he feels underpaid by the organization reflects his feelings about his pay. Similarly, when a manager says that she likes the new advertising campaign, she is expressing her feelings about the organization's marketing efforts.

People in an organization form attitudes about many different things. Employees are likely to have attitudes about their salary, their promotion possibilities, their

boss, employee benefits, and so on. Especially important attitudes are *job satisfaction* and *organizational commitment*.

- **Job satisfaction** reflects the extent to which people have positive attitudes toward their jobs. (Some people use the word *morale* instead of job satisfaction.) A satisfied employee tends to be absent less often, to be a good organizational citizen, and to stay with the organization. Dissatisfied employees may be absent more often, may experience stress that disrupts coworkers, and may be continually looking for another job. Contrary to what a lot of managers believe, however, high levels of job satisfaction do not necessarily lead to higher levels of productivity.

- **Organizational commitment,** sometimes called *job commitment*, reflects an individual's identification with the organization and its mission. A highly committed person will probably see herself as a true member of the firm (for example, referring to the organization in personal terms, such as "we make high-quality products"), overlook minor sources of dissatisfaction, and see herself remaining a member of the organization. A less committed person is more likely to see himself as an outsider (for example, referring to the organization in less personal terms, such as "they don't pay their employees very well"), to express more dissatisfaction about things, and to not see himself as a long-term member of the organization.

There are a few critical things managers can do to promote satisfaction and commitment. For one thing, if the organization treats its employees fairly and provides reasonable rewards and job security, its employees are more likely to be satisfied and committed. Allowing employees to have a say in how things are done can also promote these attitudes. Designing jobs so that they are stimulating can enhance both satisfaction and commitment. Another key element is understanding and respecting what experts call *psychological contracts*, which we will discuss in the next section.

Matching People and Jobs

Given the array of individual differences that exists across people and the many different forms of employee behaviors that can occur in organizations, it stands to reason that managers would like to have a good match between people and the jobs they are performing. Two key methods for helping to understand how this match can be better understood are *psychological contracts* and the *person-job fit*.

Psychological Contracts

A **psychological contract** is the overall set of expectations held by employees and the organization regarding what employees will contribute to the organization and what the organization will provide in return. Unlike a business contract, a psychological contract is not written on paper, nor are all of its terms explicitly negotiated.[6]

Figure 8.2 illustrates the essential nature of a psychological contract. The individual makes a variety of *contributions* to the organization—such things as effort, ability, loyalty, skills, and time. These contributions satisfy their obligation under the contract. For example, Jill Henderson, a branch manager for Merrill Lynch, uses

3 Explain the meaning and importance of psychological contracts and the person-job fit in the workplace.
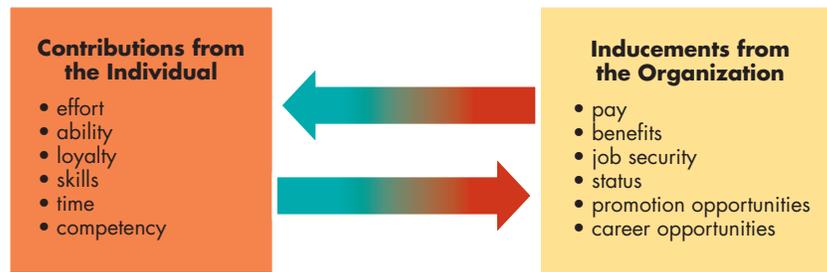
Emotional Intelligence (Emotional Quotient, EQ) the extent to which people are self-aware, can manage their emotions, can motivate themselves, express empathy for others, and possess social skills

Attitudes a person's beliefs and feelings about specific ideas, situations, or people

Job Satisfaction degree of enjoyment that people derive from performing their jobs

Organizational Commitment an individual's identification with the organization and its mission

Psychological Contract set of expectations held by an employee concerning what he or she will contribute to an organization (referred to as contributions) and what the organization will in return provide the employee (referred to as inducements)

Contributions from the Individual		Inducements from the Organization
• effort • ability • loyalty • skills • time • competency	← →	• pay • benefits • job security • status • promotion opportunities • career opportunities

Figure 8.2 The Psychological Contract

her knowledge of financial markets and investment opportunities to help her clients make profitable investments. Her MBA in finance, coupled with hard work and motivation, have led her to become one of the firm's most promising young managers. The firm believed she had these attributes when it hired her and expected that she would do well.

In return for these contributions, the organization provides *inducements* to the individual. These inducements satisfy the organization's contract obligation. Some inducements, such as pay and career opportunities, are tangible rewards. Others, such as job security and status, are more intangible. Jill Henderson started at Merrill Lynch at a very competitive salary and has received a salary increase each of the six years she has been with the firm. She has also been promoted twice and expects another promotion in the near future.

In this instance, both Jill Henderson and Merrill Lynch apparently perceive that the psychological contract is fair and equitable. Both will be satisfied with the relationship and will do what they can to continue it. Henderson is likely to continue to work hard and effectively, and Merrill Lynch is likely to continue to increase her salary and give her promotions. In other situations, however, things might not work out as well. If either party sees an inequity in the contract, that party may initiate a change. The employee might ask for a pay raise or promotion, put forth less effort, or look for a better job elsewhere. The organization can also initiate change by training the worker to improve his skills, transferring him to another job, or by firing him.

All organizations face the basic challenge of managing psychological contracts. They want value from their employees, and they need to give employees the right inducements. For instance, underpaid employees may perform poorly or leave for better jobs elsewhere. Similarly, an employee may even occasionally start to steal from the company as a way to balance the psychological contract.

Recent trends in downsizing and cutbacks have complicated the process of managing psychological contracts. For example, many organizations used to offer at least reasonable assurances of job permanence as a fundamental inducement to employees. Now, however, job permanence is less likely so alternative inducements may be needed. Among the new forms of inducements, some companies are providing additional training opportunities and increased flexibility in working schedules.

The Person-Job Fit

The **person-job fit** refers to the extent to which a person's contributions and the organization's inducements match one another. A good person-job fit is one in which the employee's contributions match the inducements the organization offers. In theory, each employee has a specific set of needs that she wants fulfilled and a set of job-related behaviors and abilities to contribute. If the organization can take perfect advantage of those behaviors and abilities and exactly fulfill her needs, it will have achieved a perfect person-job fit. Good person-job fit, in turn, can result in higher performance and more positive attitudes. A poor person-job fit, though, can have just the opposite effects.

Basic Motivation Concepts and Theories

Broadly defined, **motivation** is the set of forces that cause people to behave in certain ways.[5] One worker may be motivated to work hard to produce as much as possible, whereas another may be motivated to do just enough to survive. Managers must understand these differences in behavior and the reasons for them.

Over the years, a steady progression of theories and studies has attempted to address these issues. In this section, we survey the major studies and theories of employee motivation. In particular, we focus on three approaches to human relations in the workplace that reflect a basic chronology of thinking in the area: (1) *classical theory* and *scientific management*, (2) *early behavioral theory*, and (3) *contemporary motivational theories*.

Classical Theory

According to the so-called **classical theory of motivation,** workers are motivated solely by money. In his 1911 book, *The Principles of Scientific Management*, industrial engineer Frederick Taylor proposed a way for both companies and workers to benefit from this widely accepted view of life in the workplace. If workers are motivated by money, Taylor reasoned, paying them more should prompt them to produce more. Meanwhile, the firm that analyzed jobs and found better ways to perform them would be able to produce goods more cheaply, make higher profits, and pay and motivate workers better than its competitors.

Taylor's approach is known as *scientific management*. His ideas captured the imagination of many managers in the early twentieth century. Soon, manufacturing plants across the United States were hiring experts to perform time-and-motion studies: Industrial engineering techniques were applied to each facet of a job to determine how to perform it most efficiently. These studies were the first scientific attempts to break down jobs into easily repeated components and to devise more efficient tools and machines for performing them. [7]

Early Behavioral Theory

In 1925, a group of Harvard researchers began a study at the Hawthorne Works of Western Electric outside Chicago. With an eye to increasing productivity, they wanted to examine the relationship between changes in the physical environment and worker output.

The results of the experiment were unexpected, even confusing. For example, increased lighting levels improved productivity. For some reason, however, so did lower lighting levels. Moreover, against all expectations, increased pay failed to increase productivity. Gradually, the researchers pieced together the puzzle. The explanation lay in the workers' response to the attention they were receiving. The researchers concluded that productivity rose in response to almost any management action that workers interpreted as special attention. This finding—known today as the **Hawthorne effect**—had a major influence on human relations theory, although in many cases it amounted simply to convincing managers that they should pay more attention to employees.

Person-Job Fit the extent to which a person's contributions and the organization's inducements match one another

Motivation the set of forces that cause people to behave in certain ways

Classical Theory of Motivation theory holding that workers are motivated solely by money

Hawthorne Effect tendency for productivity to increase when workers believe they are receiving special attention from management

TABLE 8.1 Theory X and Theory Y	
Theory X	**Theory Y**
People are lazy.	People are energetic.
People lack ambition and dislike responsibility.	People are ambitious and seek responsibility.
People are self-centered.	People can be selfless.
People resist change.	People want to contribute to business growth and change.
People are gullible and not very bright.	People are intelligent.

Following the Hawthorne studies, managers and researchers alike focused more attention on the importance of good human relations in motivating employee performance. Stressing the factors that cause, focus, and sustain workers' behavior, most motivation theorists became concerned with the ways in which management thinks about and treats employees. The major motivation theories include the *human resources model*, the *hierarchy of needs model*, and *two-factor theory*.

Human Resources Model: Theories X and Y   In one important book, behavioral scientist Douglas McGregor concluded that managers had radically different beliefs about how best to use the human resources employed by a firm. He classified these beliefs into sets of assumptions that he labeled "Theory X" and "Theory Y." The basic differences between these two theories are shown in Table 8.1.

Managers who subscribe to **Theory X** tend to believe that people are naturally lazy and uncooperative and must be either punished or rewarded to be made productive. Managers who are inclined to accept **Theory Y** tend to believe that people are naturally energetic, growth-oriented, self-motivated, and interested in being productive.
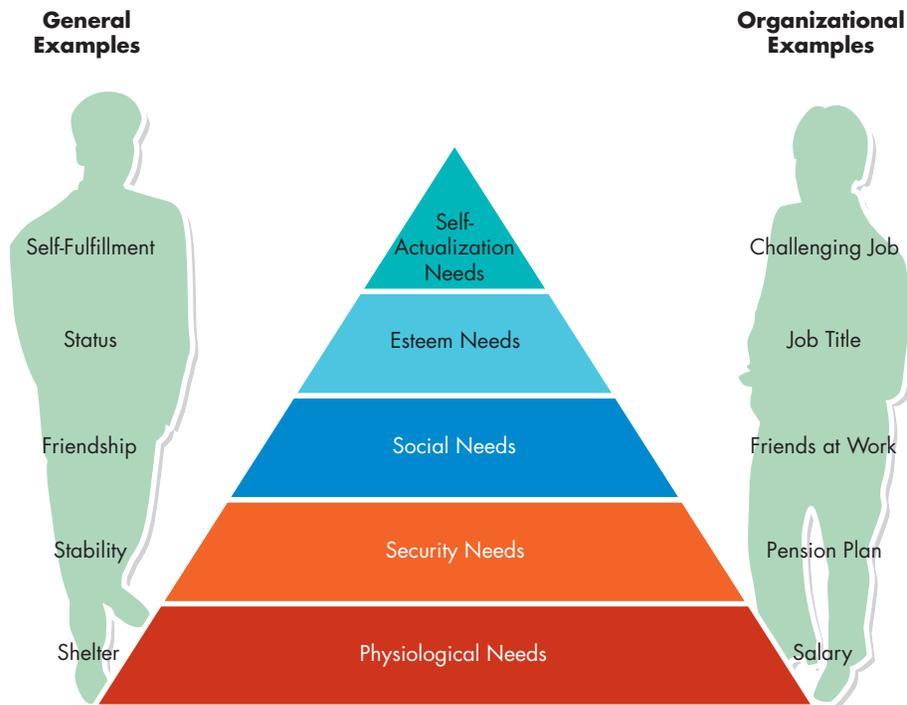
McGregor argued that Theory Y managers are more likely to have satisfied and motivated employees. Theory X and Y distinctions are somewhat simplistic and offer little concrete basis for action. Their value lies primarily in their ability to highlight and classify the behavior of managers in light of their attitudes toward employees.

Maslow's Hierarchy of Needs Model   Psychologist Abraham Maslow's **hierarchy of human needs model** proposed that people have several different needs that they attempt to satisfy in their work. Maslow classified these needs into five basic types and suggested that they be arranged in the hierarchy of importance, as shown in Figure 8.3. According to Maslow, needs are hierarchical because lower-level needs must be met before a person will try to satisfy higher-level needs.

Once a set of needs has been satisfied, it ceases to motivate behavior. For example, if you feel secure in your job (that is, your security needs have been met), additional opportunities to achieve even more security, such as being assigned to a long-term project, will probably be less important to you than the chance to fulfill social or esteem needs, such as working with a mentor or becoming the member of an advisory board.

If, however, a lower-level need suddenly becomes unfulfilled, most people immediately refocus on that lower level. Suppose, for example, you are seeking to meet your self-esteem needs by working as a divisional manager at a major company. If you learn that your division and, consequently, your job may be eliminated, you might very well find the promise of job security at a new firm as motivating as a promotion once would have been at your old company.

Two-Factor Theory   After studying a group of accountants and engineers, psychologist Frederick Herzberg concluded that job satisfaction and dissatisfaction depend on two factors: *hygiene factors*, such as working conditions, and *motivation factors*, such as recognition for a job well done.

**General
Examples**

**Organizational
Examples**

Self-Fulfillment	Self-Actualization Needs	Challenging Job
Status	Esteem Needs	Job Title
Friendship	Social Needs	Friends at Work
Stability	Security Needs	Pension Plan
Shelter	Physiological Needs	Salary

Figure 8.3 **Maslow's Heirarchy of Human Needs**
Source: A. H. Maslow, *Motivation and Personality*, 2nd ed. (Upper Saddle River, NJ: Prentice Hall, 1970).
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According to Herzberg's **two-factor theory,** hygiene factors affect motivation and satisfaction only if they are absent or fail to meet expectations. For example, workers will be dissatisfied if they believe they have poor working conditions. If working conditions are improved, however, they will not necessarily become satisfied; they will simply not be dissatisfied. If workers receive no recognition for successful work, they may be neither dissatisfied nor satisfied. If recognition is provided, they will likely become more satisfied.

Figure 8.4 illustrates the two-factor theory. Note that motivation factors lie along a continuum from satisfaction to no satisfaction. Hygiene factors, in contrast, are likely to produce feelings that lie on a continuum from dissatisfaction to no dissatisfaction. Whereas motivation factors are directly related to the work that employees actually perform, hygiene factors refer to the environment in which they work.

This theory suggests that managers should follow a two-step approach to enhancing motivation. First, they must ensure that hygiene factors—working conditions, for example, or clearly stated policies—are acceptable. This practice will result in an absence of dissatisfaction. Then they must offer motivation factors—recognition or added responsibility—as a way to improve satisfaction and motivation.

Theory X theory of motivation holding that people are naturally lazy and uncooperative

Theory Y theory of motivation holding that people are naturally energetic, growth-oriented, self-motivated, and interested in being productive

Hierarchy of Human Needs Model theory of motivation describing five levels of human needs and arguing that basic needs must be fulfilled before people work to satisfy higher-level needs

Two-Factor Theory theory of motivation holding that job satisfaction depends on two factors, hygiene and motivation

Figure 8.4 Two-Factor Theory of Motivation

Contemporary Motivation Theory

Recently, other more complex models of employee behavior and motivation have been developed.[8] Two of the more interesting and useful ones are *expectancy theory* and *equity theory*.

Expectancy Theory   **Expectancy theory** suggests that people are motivated to work toward rewards that they want and that they believe they have a reasonable chance—or expectancy—of obtaining. A reward that seems out of reach is likely to be undesirable even if it is intrinsically positive. Figure 8.5 illustrates expectancy theory in terms of issues that are likely to be considered by an individual employee.

Consider the case of an assistant department manager who learns that her firm needs to replace a retiring division manager three levels above her in the organization. Even though she wants the job, she does not apply because she doubts she will be selected. In this case, she considers the performance-reward issue: She believes that her performance will not get her the position. She also learns that the firm is looking for a production manager on the night shift. She thinks she could get this job but does not apply because she does not want to work nights (the rewards–personal goals issue). Finally, she learns of an opening one level higher—department manager—in her own division. She may well apply for this job because she both wants it and thinks that she has a good chance of getting it. In this case, her consideration of all the issues has led to an expectancy that she can reach a goal.
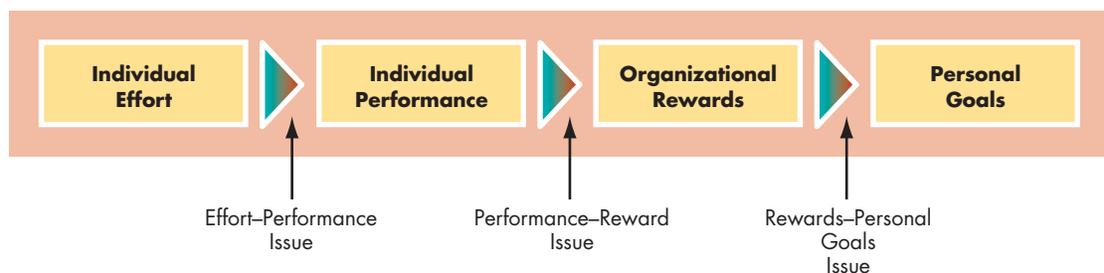
Figure 8.5 Expectancy Theory Model

Expectancy theory helps explain why some people do not work as hard as they can when their salaries are based purely on seniority. Paying employees the same whether they work very hard or just hard enough to get by removes the financial incentive for them to work harder. In other words, they ask themselves, "If I work harder, will I get a pay raise?" (the performance–reward issue) and conclude that the answer is no. Similarly, if hard work will result in one or more undesirable outcomes—for example, a transfer to another location or a promotion to a job that requires unpleasant travel (the rewards–personal goal issue)—employees will not be motivated to work hard.

Equity Theory   **Equity theory** focuses on social comparisons—people evaluating their treatment by the organization relative to the treatment of others. This approach holds that people begin by analyzing inputs (what they contribute to their jobs in terms of time, effort, education, experience) relative to outputs (what they receive in return—salary, benefits, recognition, security). This comparison is very similar to the psychological contract. As viewed by equity theory, the result is a ratio of contribution to return. When they compare their own ratios with those of other employees, they ask whether their ratios are equal to, greater than, or less than those of the people with whom they are comparing themselves. Depending on their assessments, they experience feelings of equity or inequity. Figure 8.6 illustrates the three possible results of such an assessment.

For example, suppose a new college graduate gets a starting job at a large manufacturing firm. His starting salary is $45,000 a year, he gets an inexpensive company car, and he shares an assistant with another new employee. If he later learns that another new employee has received the same salary, car, and staff arrangement, he will feel equitably treated (result 1 in Figure 8.6). If the other newcomer, however, has received $70,000, a more expensive company car, and a personal assistant, he may feel inequitably treated (result 2 in Figure 8.6).

Note, however, that for an individual to feel equitably treated, the two ratios do not have to be identical, only equitable. Assume, for instance, that our new employee has a bachelor's degree and two years of work experience. Perhaps he learns subsequently that the other new employee has an advanced degree and 10 years of experience. After first feeling inequity, the new employee may conclude that the person with whom he compared himself is actually contributing more to the organization. That employee is equitably entitled, therefore, to receive more in return (result 3 in Figure 8.6).

When people feel they are being inequitably treated, they may do various constructive and some not so constructive things to restore fairness. For example, they may speak to their boss about the perceived inequity. Or (less constructively) they may demand a raise, reduce their efforts, work shorter hours, or just complain to their coworkers. They may also rationalize ("management succumbed to pressure to promote a woman/Asian American"), find different people with whom to compare themselves, or leave their jobs.

Strategies and Techniques for Enhancing Motivation

5 Describe some of the strategies and techniques used by organizations to improve employee motivation.

Understanding what motivates workers is only one part of the manager's job. The other part is applying that knowledge. Experts have suggested—and many companies have implemented—a range of programs designed to make jobs more

Expectancy Theory theory of motivation holding that people are motivated to work toward rewards that they want and that they believe they have a reasonable chance of obtaining

Equity Theory theory of motivation holding that people evaluate their treatment by the organization relative to the treatment of others
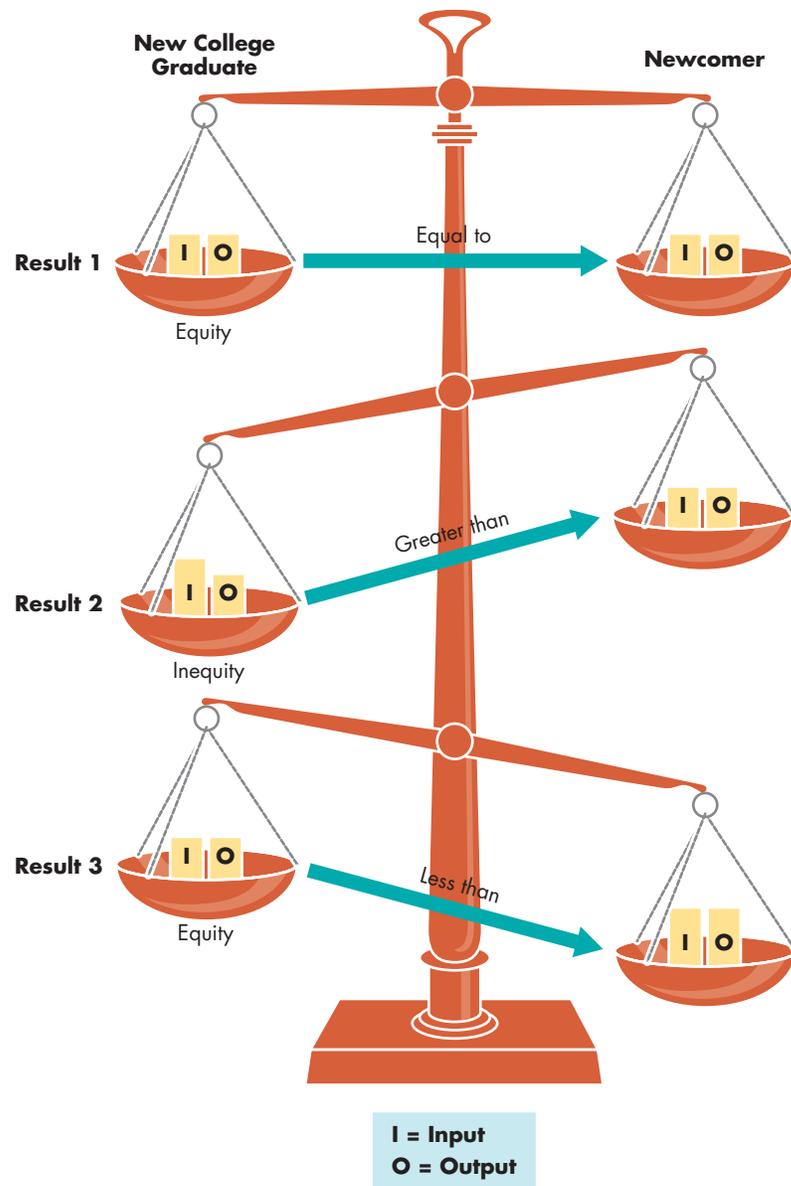
Figure 8.6 Equity Theory: Possible Assessments

interesting and rewarding, to make the work environment more pleasant, and to motivate employees to work harder.

Reinforcement/Behavior Modification

Some companies try to control—and even alter or modify—workers' behavior through systematic rewards and punishments for specific behaviors. Such companies first try to define the specific behaviors that they want their employees to exhibit (working hard, being courteous to customers, stressing quality) and the specific behaviors they want to eliminate (wasting time, being rude to customers, ignoring quality). Then they try to shape employee behavior by linking positive reinforcement with desired behaviors and punishment with undesired behaviors.

Positive reinforcement is used when a company or manager provides a reward when employees exhibit desired behaviors—working hard, helping others, and so forth. When rewards are tied directly to performance, they serve as positive reinforcement. For example, paying large cash bonuses to salespeople who exceed quotas prompts them to work even harder during the next selling period. John Deere

ENTREPRENEURSHIP AND NEW VENTURES

Extreme Employee Empowerment

In the mid-1980s, Roger Sant and Dennis Bakke decided to take advantage of the Public Utility Regulatory Policy Act and establish what would become a huge international energy company built on the values of social responsibility, integrity, fairness, and fun. To achieve these ideals, Sant and Bakke established AES Corporation under a management structure, or more accurately a lack of one, that has been called "adhocracy" and "empowerment gone mad."

Under an organizational structure AES dubs a "honeycomb," small, multifunctional teams manage themselves without the assistance of any legal, human resources, or other functional department or any written policies or procedures. AES strives to have as few supervisory layers as possible, and no one person is in charge of the teams. Employees make HR decisions, such as how much time to take for maternity leave, for themselves, and they consult outside experts on matters such as finance when necessary.

As a result of this structure, employees are empowered, flexible, multidimensional, and constantly learning. Furthermore, the company is high-functioning and can make decisions and complete projects efficiently. AES continues to adapt to its increasing growth, though, and in 2002 added five executive officer positions and has since expanded its corporate leaders while remaining true to its honeycomb roots.

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w85/ZUMA Press/Newscom

has adopted a reward system based on positive reinforcement. The firm gives pay increases when its workers complete college courses and demonstrate mastery of new job skills.

Punishment is designed to change behavior by presenting people with unpleasant consequences if they exhibit undesired behaviors. Employees who are repeatedly late for work, for example, may be suspended or have their pay docked. Similarly, when the National Football League or Major League Baseball fines or suspends players found guilty of substance abuse, the organization is seeking to change players' behavior.

Using Goals to Motivate Behavior

Performance goals are also commonly used to direct and motivate behavior. The most frequent method for setting performance goals is called **management by objectives (MBO),** which is a system of collaborative goal setting that extends from the top of an organization to the bottom. MBO involves managers and subordinates in setting goals and evaluating progress. After the program is started, the organization specifies its overall goals and plans. Managers then collaborate with each of their subordinates to set individual goals that will best contribute to the organization's goals. Managers meet periodically to review progress toward individual goals, and then, usually on an annual basis, goal achievement is evaluated and used as a basis for starting the cycle over again.

Positive Reinforcement reward that follows desired behaviors

Punishment unpleasant consequences of an undesirable behavior

Management by Objectives (MBO) set of procedures involving both managers and subordinates in setting goals and evaluating progress

According to many experts, motivational impact is the biggest advantage of MBO. When employees sit down with managers to set upcoming goals, they learn more about companywide objectives, feel that they are an important part of a team, and see how they can improve companywide performance by reaching their own goals. If an MBO system is used properly, employees should leave meetings not only with an understanding of the value of their contributions but also with fair rewards for their performances. They should also accept and be committed to the moderately difficult and specific goals they have helped set for themselves.[9]

Participative Management and Empowerment

In **participative management and empowerment,** employees are given a voice in how they do their jobs and in how the company is managed—they become empowered to take greater responsibility for their own performance. Not surprisingly, participation and empowerment often makes employees feel more committed to organizational goals they have helped to shape.

Participation and empowerment can be used in large firms or small firms, both with managers and operating employees. For example, managers at General Electric who once needed higher-level approval for any expenditure over $5,000 now have the autonomy to make their own expense decisions up to as much as $50,000. At Adam Hat Company, a small firm that makes men's dress, military, and cowboy hats, workers who previously had to report all product defects to supervisors now have the freedom to correct problems themselves or even return products to the workers who are responsible for them. Sports gear company And1 also practices empowerment by allowing its designers considerable latitude in testing new ideas. For instance, a designer can make a few prototypes of a new product, distribute them to kids on a neighborhood basketball court, and then get their feedback.

Although some employees thrive in participative programs, such programs are not for everyone. People may be frustrated by responsibilities they are not equipped to handle. Moreover, participative programs may actually result in dissatisfied employees if workers see the invitation to participate as more symbolic than substantive. One key, say most experts, is to invite participation only to the extent that employees want to have input and only if participation will have real value for an organization.

Team Structures

We have already noted the increased use of teams in organizations. Yet another benefit that some companies get from using teams is increased motivation and enhanced job satisfaction among those employees working in teams. Although teams are often less effective in traditional and rigidly structured bureaucratic organizations, they often help smaller, more flexible organizations make decisions more quickly and effectively, enhance companywide communication, and encourage organizational members to feel more like a part of an organization. In turn, these attitudes usually lead to higher levels of both employee motivation and job satisfaction.[10]

But managers should remember that teams are not for everyone. Levi Strauss, for example, encountered major problems when it tried to use teams. Individual workers previously performed repetitive, highly specialized tasks, such as sewing zippers into jeans, and were paid according to the number of jobs they completed each day. In an attempt to boost productivity, company management reorganized everyone into teams of 10 to 35 workers and assigned tasks to the entire group. Each team member's pay was determined by the team's level of productivity. In practice, however, faster workers became resentful of slower workers because they reduced the group's total output. Slower workers, meanwhile, resented the pressure put on them by faster-working coworkers. As a result, motivation, satisfaction, and morale all dropped, and Levi Strauss eventually abandoned the teamwork plan altogether.

Job Enrichment and Job Redesign

Whereas goal setting and MBO programs and empowerment can work in a variety of settings, *job enrichment* and *job redesign* programs are generally used to increase satisfaction in jobs significantly lacking in motivating factors.[10]

Job Enrichment Programs   **Job enrichment** is designed to add one or more motivating factors to job activities. For example, *job rotation* programs expand growth opportunities by rotating employees through various positions in the same firm. Workers gain not only new skills but also broader overviews of their work and their organization. Other programs focus on increasing responsibility or recognition. At United Airlines, for example, flight attendants now have more control over their own scheduling. The jobs of flight service managers were enriched when they were given more responsibility and authority for assigning tasks to flight crew members.

Job Redesign Programs   **Job redesign** acknowledges that different people want different things from their jobs. By restructuring work to achieve a more satisfactory fit between workers and their jobs, job redesign can motivate individuals with strong needs for career growth or achievement. Job redesign is usually implemented in one of three ways: through *combining tasks, forming natural work groups*, or *establishing client relationships*.

Combining Tasks The job of combining tasks involves enlarging jobs and increasing their variety to make employees feel that their work is more meaningful. In turn, employees become more motivated. For example, the job done by a programmer who maintains computer systems might be redesigned to include some system design and system development work. While developing additional skills, the programmer also gets involved in the overall system development.

Forming Natural Work Groups People who do different jobs on the same projects are candidates for natural work groups. These groups are formed to help employees see the place and importance of their jobs in the total structure of the firm. They are valuable to management because the people working on a project are usually the most knowledgeable about it and the most capable problem solvers.

Establishing Client Relationships Establishing client relationships means letting employees interact with customers. This approach increases job variety. It gives workers both a greater sense of control and more feedback about performance than they get when their jobs are not highly interactive. For example, software writers at Microsoft watch test users work with programs and discuss problems with them directly rather than receive feedback from third-party researchers.

Modified Work Schedules

As another way of increasing job satisfaction, many companies are experimenting with *modified work schedules*—different approaches to working hours and the workweek. The two most common forms of modified scheduling are *work-share programs* and *flextime programs*, including alternative workplace strategies.[11]

Work-Share Programs   At Steelcase, the country's largest maker of office furnishings, two very talented women in the marketing division both wanted to work only part-time. The solution: They now share a single full-time job. With each working

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Participative Management and Empowerment method of increasing job satisfaction by giving employees a voice in the management of their jobs and the company

Job Enrichment method of increasing job satisfaction by adding one or more motivating factors to job activities

Job Redesign method of increasing job satisfaction by designing a more satisfactory fit between workers and their jobs

2.5 days a week, both got their wish and the job gets done—and done well. The practice, known as **work sharing** (or **job sharing**), has "brought sanity back to our lives," according to at least one Steelcase employee.

Job sharing usually benefits both employees and employers. Employees, for instance, tend to appreciate the organization's attention to their personal needs. At the same time, the company can reduce turnover and save on the cost of benefits. On the negative side, job-share employees generally receive fewer benefits than their full-time counterparts and may be the first to be laid off when cutbacks are necessary.

Flextime Programs and Alternative Workplace Strategies   **Flextime programs** allow people to choose their working hours by adjusting a standard work schedule on a daily or weekly basis. There are limits to flextime. The Steelcase program, for instance, requires all employees to work certain core hours. This practice allows everyone to reach coworkers at a specified time of day. Employees can then decide whether to make up the rest of the standard eight-hour day by coming in and leaving early (by working 6:00 A.M. to 2:00 P.M. or 7:00 A.M. to 3:00 P.M.) or late (9:00 A.M. to 5:00 P.M. or 10:00 A.M. to 6:00 P.M.).

In one variation, companies may also allow employees to choose four, five, or six days on which to work each week. Some, for instance, may choose Monday through Thursday, others Tuesday through Friday. Still others may work Monday and Tuesday and Thursday and Friday and take Wednesday off. By working 10 hours over four workdays, employees still complete 40-hour weeks.

Telecommuting   A rapidly growing number of U.S. workers do a significant portion of their work via **telecommuting**—performing some or all of a job away from standard office settings. Working from a home office outfitted with a PC, high-speed Internet, and a company intranet connection, telecommuters can keep abreast of everything going on at the office. In 2004, at least 14 million U.S. workers spent at least part of their working hours telecommuting. This trend is on the rise: In 2005, 44 percent of U.S. companies offered some telecommuting options, up from 32 percent in 2001.[12] And in 2010 almost 80 percent of white collar and other professional workers in the United States performed at least some of their work from a location other than their office.

Advantages and Disadvantages of Modified Schedules and Alternative Workplaces Flextime gives employees more freedom in their professional and personal lives. It allows workers to plan around the work schedules of spouses and the school schedules of young children. Studies show that the increased sense of freedom and control reduces stress and improves individual productivity.

Companies also benefit in other ways. In urban areas, for example, such programs can reduce traffic congestion and similar problems that contribute to stress and lost work time. Furthermore, employers benefit from higher levels of commitment and job satisfaction. John Hancock Insurance, Shell Oil, and Metropolitan Life are among the major U.S. corporations that have successfully adopted some form of flextime.

Conversely, flextime sometimes complicates coordination because people are working different schedules. In addition, if workers are paid by the hour, flextime may make it difficult for employers to keep accurate records of when employees are actually working.

As for telecommuting, it may not be for everyone. For example, consultant Gil Gordon points out that telecommuters are attracted to the ideas of "not having to shave and put on makeup or go through traffic, and sitting in their blue jeans all day." However, he suggests that would-be telecommuters ask themselves several other questions: "Can I manage deadlines? What will it be like to be away from the social context of the office five days a week?" One study has shown that even though telecommuters may be producing results, those with strong advancement ambitions may miss networking and rubbing elbows with management on a day-to-day basis.

Another obstacle to establishing a telecommuting program is convincing management that it can be beneficial for all involved. Telecommuters may have to fight the perception from both bosses and coworkers that if they are not being supervised,

they are not working. Managers, admits one experienced consultant, "usually have to be dragged kicking and screaming into this. They always ask 'How can I tell if someone is working when I can't see them?'" By the same token, he adds, "that's based on the erroneous assumption that if you can see them, they are working." Most experts agree that reeducation and constant communication are requirements of a successful telecommuting arrangement. Both managers and employees must determine expectations in advance.

As we have illustrated in this chapter, employee behavior and motivation are important concepts for managers to understand. They are also complex processes that require careful consideration by managers. For example, a clumsy attempt to motivate employees to work harder without fully considering all factors can actually have just the opposite effect. But managers who do take the time to understand the people with whom they work can better appreciate their efforts. Another important factor that affects employee behavior is *leadership*, the subject of our next chapter.

Work Sharing (Job Sharing) method of increasing job satisfaction by allowing two or more people to share a single full-time job

Flextime Programs method of increasing job satisfaction by allowing workers to adjust work schedules on a daily or weekly basis

Telecommuting form of flextime that allows people to perform some or all of a job away from standard office settings

Jacob Wackerhausen/iStockphoto.com

Thinking About Work and Pay

Many white-collar workers have options to enhance their motivation and job satisfaction. But what about low-skill workers? *New York Times* journalist Daniel Akst points out that workplace unhappiness "is not a new phenomenon. Work is not a picnic. It's always tough for people." Akst admonishes his readers, "If you find the modern, air-conditioned workplace stressful—all that e-mail!—just think back to the work most Americans used to do." For instance, just contrast today's modern office work with farming, the most common occupation a century ago. Farmers at that time performed hard outdoor labor seven days per week, for uncertain pay, in social isolation, and with no benefits or retirement plans.

Just as a focus on the past shows us how really fortunate most middle-class workers truly are, so too does a comparison of middle- and working-class employees. The Bureau of Labor Statistics reports that in 2009, 10.9 million U.S. managers earned an average salary of $83,400, while 13.8 million food service workers earned only $17,400. The disparity is even greater when benefits and other rewards are considered.

Organizations face a stiff challenge in designing and creating jobs for low-skill workers that are richer and more rewarding. Even if pay were greater, motivation theory would predict that repetitive, routine jobs with little autonomy will not create worker happiness or motivation. Innovative job design for barbers, grounds workers, fishing crews, and nursing aides seems very difficult, yet could affect tens of millions of individuals nationwide.

The U.S. Census reports that 8.7 million individuals in households headed by full-time year-round workers were below the federal poverty threshold. If money and an appealing job create happiness, low-skill workers must be pretty unhappy. So, what's a manager to do? Perhaps the most basic suggestion is just this: remember that workers want to be treated with respect and dignity. Even if you can't pay them a lot of money or make their jobs exciting, you can nevertheless treat them as you would want to be treated if you were in their shoes. And, come to think of it, the same could be said of any worker performing any job.

QUESTIONS FOR DISCUSSION

1   Some experts warn that we are creating more and more disparity between higher-paid workers and lower-paid workers. If this is true, what are the implications?

2   Recall a low-skill, low-wage job you have held. What could your boss have done to motivate you?

3   Have you ever had a chance to change or modify a job so as to make it more interesting? If so, how? If not, select a job you can observe (such as a Starbucks barista) and then discuss how it could be made more interesting.

4   Are there some jobs that simply cannot be improved? If so, provide examples. If not, then why aren't all jobs made more interesting and motivating?

5   Describe the "perfect" job that you can envision for yourself. What would be the parts of the job that would really motivate you?

SUMMARY OF LEARNING OBJECTIVES   MyBizLab

1. **Identify and discuss the basic forms of behaviors that employees exhibit in organizations. (pp. 196–198)**

    Employee behavior is the pattern of actions by the members of an organization that directly or indirectly influences the organization's effectiveness. *Performance behaviors* are the total set of work-related behaviors that the organization expects employees to display. *Organizational citizenship* refers to the behavior of individuals who make a positive overall contribution to the organization. *Counterproductive behaviors* are those that detract from, rather than contribute to, organizational performance.

2. **Describe the nature and importance of individual differences among employees. (pp. 198–201)**

    Individual differences are personal attributes that vary from one person to another. *Personality* is the relatively stable set of psychological attributes that distinguish one person from another. The *"big five" personality traits* are *agreeableness*, *conscientiousness*, *emotionality*, *extraversion*, and *openness*. *Emotional intelligence*, or *emotional quotient (EQ)*, refers to the extent to which people are self-aware, can manage their emotions, can motivate themselves, express empathy for others, and possess social skills. *Attitudes* reflect our beliefs and feelings about specific ideas, situations, or other people. Especially important attitudes are *job satisfaction* and *organizational commitment*.

3. **Explain the meaning and importance of psychological contracts and the person-job fit in the workplace. (pp. 201–202)**

    A *psychological contract* is the overall set of expectations held by employees and the organization regarding what employees will contribute to the organization and what the organization will provide in return. A good *person-job fit* is achieved when the employee's contributions match the inducements the organization offers. Having a good match between people and their jobs can help enhance performance, job satisfaction, and motivation.

4. **Identify and summarize the most important models and concepts of employee motivation. (pp. 203–207)**

    Motivation is the set of forces that cause people to behave in certain ways. Early approaches to motivation were based first on the assumption that people work only for money and then on the assumption that social needs are the primary way to motivate people. The *hierarchy of human needs* model holds that people at work try to satisfy one or more of five different needs. The *two-factor theory* argues that satisfaction and dissatisfaction depend on *hygiene factors*, such as working conditions, and *motivation factors*, such as recognition for a job well done. *Expectancy theory* suggests that people are motivated to work toward rewards that they have a reasonable expectancy of obtaining. *Equity theory* focuses on social comparisons—people evaluating their treatment by the organization relative to the treatment of others.

5. **Describe some of the strategies and techniques used by organizations to improve employee motivation. (pp. 207–213)**

    There are several major strategies and techniques often used to make jobs more interesting and rewarding. *Positive reinforcement* is used when a company or manager provides a reward when employees exhibit desired behaviors. *Punishment* is designed to change behavior by presenting employees with unpleasant consequences if they exhibit undesired behaviors. *Management by objectives (MBO)* is a system of collaborative goal setting that extends from the top of an organization to the bottom. In *participative management and empowerment*, employees are given a voice in how they do their jobs and in how the company is managed. Using *teams* can also enhance motivation. *Job enrichment* adds motivating factors to job activities. *Job redesign* is a method of increasing job satisfaction by designing a more satisfactory fit between workers and their jobs. Some companies also use *modified work schedules*—different approaches to working hours. Common options include *work sharing (job sharing), flextime programs*, and *telecommuting*.

KEY TERMS   MyBizLab

absenteeism (p. 197)
attitudes (p. 200)
"big five" personality traits (p. 199)
classical theory of
    motivation (p. 203)
counterproductive behavior (p. 197)
emotional intelligence (emotional
    quotient, EQ) (p. 200)
employee behavior (p. 196)
equity theory (p. 207)
expectancy theory (p. 206)
flextime programs (p. 212)
Hawthorne effect (p. 203)

hierarchy of human needs model
    (p. 204)
individual differences (p. 198)
job enrichment (p. 211)
job redesign (p. 211)
job satisfaction (p. 201)
management by objectives
    (MBO) (p. 209)
motivation (p. 203)
organizational citizenship (p. 197)
organizational commitment (p. 201)
participative management and
    empowerment (p. 210)

performance behaviors (p. 196)
personality (p. 199)
person-job fit (p. 202)
positive reinforcement (p. 208)
psychological contract (p. 201)
punishment (p. 209)
telecommuting (p. 212)
Theory X (p. 204)
Theory Y (p. 204)
turnover (p. 197)
two-factor theory (p. 205)
work sharing (or job sharing) (p. 212)

QUESTIONS AND EXERCISES

QUESTIONS FOR REVIEW

1. Describe the psychological contract you currently have or have had in the past with an employer. If you have never worked, describe the psychological contract that you have with the instructor in this class.
2. Do you think that most people are relatively satisfied or dissatisfied with their work? What factors do you think most contribute to satisfaction or dissatisfaction?
3. Compare and contrast the hierarchy of human needs with the two-factor theory of motivation.
4. How can participative management programs enhance employee satisfaction and motivation?

QUESTIONS FOR ANALYSIS

5. Some evidence suggests that recent college graduates show high levels of job satisfaction. Levels then drop dramatically as they reach their late twenties, only to increase gradually once they get older. What might account for this pattern?

6. As a manager, under what sort of circumstances might you apply each of the theories of motivation discussed in this chapter? Which would be easiest to use? Which would be hardest? Why?
7. Suppose you realize one day that you are dissatisfied with your job. Short of quitting, what might you do to improve your situation?
8. Describe what you would tell a low-skill worker performing a simple and routine job who wants more challenge and enjoyment from work.

APPLICATION EXERCISES

9. Assume you are about to start your own business. What might you do from the very beginning to ensure that your employees will be satisfied and motivated?
10. Interview the manager of a local manufacturing company. Identify as many different strategies for enhancing job satisfaction at that company as you can.

BUILDING YOUR BUSINESS SKILLS

Too Much of a Good Thing

Goal

To encourage you to apply different motivational theories to a workplace problem involving poor productivity.

Background Information

For years, working for George Uhe, a small chemicals broker in Paramus, New Jersey, made employees feel as if they were members of a big family. Unfortunately, this family was going broke because too few "members" were working hard enough to make money for it. Employees were happy, comfortable, complacent—and lazy.

With sales dropping in the pharmaceutical and specialty-chemicals division, Uhe brought in management consultants to analyze the situation and to make recommendations. The outsiders quickly identified a motivational problem affecting the sales force: Sales representatives were paid a handsome salary and received automatic, year-end bonuses regardless of performance. They were also treated to bagels every Friday and regular group birthday lunches that cost as much as $200. Employees felt satisfied but had little incentive to work very hard. Eager to return to profitability, Uhe's owners waited to hear the consultants' recommendations.

Method
Step 1

In groups of four, step into the role of Uhe's management consultants. Start by analyzing your client's workforce-motivation

problems from the following perspectives (our questions focus on key motivational issues):

- *Job satisfaction and morale.* As part of a 77-year-old, family-owned business, Uhe employees were happy and loyal, in part because they were treated so well. Can high morale have a downside? How can it breed stagnation, and what can managers do to prevent stagnation from taking hold?
- *Theory X versus Theory Y.* Although the behavior of these workers seems to make a case for Theory X, why is it difficult to draw this conclusion about a company that focuses more on satisfaction than on sales and profits?
- *Two-factor theory.* Analyze the various ways in which improving such motivational factors as recognition, added responsibility, advancement, and growth might reduce the importance of hygiene factors, including pay and security.
- *Expectancy theory.* Analyze the effect on productivity of redesigning the company's sales force compensation structure—namely, by paying lower base salaries while offering greater earnings potential through a sales-based incentive system. Why would linking performance with increased pay that is achievable through hard work motivate employees? Why would the threat of a job loss also motivate greater effort?

Step 2

Write a short report based on your analysis making recommendations to Uhe's owners. The goal of your report is to change the working environment in ways that will motivate greater effort and generate greater productivity.

1. What is your group's most important recommendation? Why do you think it is likely to succeed?
2. Changing the corporate culture to make it less paternalistic may reduce employees' sense of belonging to a family. If you were an employee, would you consider a greater focus on profits to be an improvement or a problem? How would it affect your motivation and productivity?
3. What steps would you take to improve the attitude and productivity of longtime employees who resist change?

EXERCISING YOUR ETHICS: INDIVIDUAL EXERCISE

Practicing Controlled Behavior

The Situation

Some companies try to control—or alter—workers' behavior through systematic rewards and punishments for specific behaviors. In other words, they first try to define the specific behaviors they want their employees to exhibit (such as working hard, being courteous to customers, stressing quality) and the specific behaviors they want them to eliminate (wasting time, being rude to customers, ignoring quality). They then try to shape employee behavior by linking positive reinforcement to desired behaviors and punishment to undesired behaviors.

Some critics, though, argue that these techniques rely too much on subconscious processes. That is, they equate these methods to laboratory experiments where you "give the rat some cheese when it pulls on the bar," and then it will pull on the bar again. Some people even question the ethics of this practice, since the target of the reward is not explicitly informed of how their behavior is being shaped.

The Dilemma

Assume that you are the new human resources manager in a medium-sized organization. Your boss has just ordered you to implement a behavior-modification program by creating a network of rewards and punishments to be linked to specific desired and undesired behaviors. Specifically, you have been instructed to specify a set of rewards that will be provided when people engage in "positive" behaviors (such as an encouraging e-mail from the boss when an employee exceeds production quotas) and punishments to be provided following "negative" behaviors (such as a critical e-mail from the boss).

However, you are uncomfortable with this approach because of how it manipulates people's behaviors without their consent. Instead, you would prefer to use rewards in a way that is consistent with expectancy theory—that is, by letting employees know in advance how they can most effectively reach the rewards they most want. You have tried to change your boss's mind but to no avail. She says to proceed with behavior modification with no further discussion.

QUESTIONS TO ADDRESS
1 What are the ethical issues in this case?
2 What do you think most managers would do in this situation?
3 What would you do?

EXERCISING YOUR ETHICS: TEAM EXERCISE

Taking One for the Team

The Situation

You are a skilled technician who has worked for a major electronics firm for the past 10 years. You love your job—it is interesting, stimulating, and enjoyable, and you are well paid for what you do. The plant where you work is one of five manufacturing centers your firm operates in a major metropolitan area. The firm is currently developing a new prototype for one of its next-generation products. To ensure that all perspectives are reflected, the company has identified a set of technicians from each plant who will work together as a team for the next two months.

The Dilemma

You have just met with your new teammates and are quite confused about what you might do next. As it turns out, the technicians from two of the manufacturing centers have heard rumors that your company is planning to close at least three of the centers and move production to a lower-cost factory in another country. These individuals are very upset. Moreover, they have made it clear that they (1) do not intend to put forth much extra effort on this project and (2) they are all looking for new jobs. You and the other technicians, though, have heard none of these rumors. Moreover, these individuals seem as excited as you about their jobs.

Team Activity

First, working alone, write a brief summary of how you would handle this situation. For instance, would you seek more information or just go about your work? Would you start looking for another job, would you try to form a subgroup just with those technicians who share your views, or would you try to work with everyone?

Second, form a small group with some of your classmates. Share with each other the various ideas you each identified. Then, formulate a group description of what you think most people in your situation would do. Then, share your description with the rest of the class.

VIDEO EXERCISE   MyBizLab

Whole Foods

Learning Objectives

The purpose of this video is to help you:
1 Explain and apply the classical theory of motivation.
2 Use Maslow's hierarchy of needs theory, Theories X and Y, and expectancy theory to explain employee motivation.
3 Describe the role of teams in employee motivation.

Synopsis

Whole Foods Market opened its first store in 1980 in Austin, Texas. The store had a bumpy start—just eight months after opening, the store was severely damaged by a flood. Without insurance, the store depended on employees and members of the community to rebuild and reopen. Today, Whole Foods has more than 300 stores, each reflecting Whole Foods' unique personality. One key to Whole Foods' success has been their ability to find employees passionate about healthy foods. Once hired, employees are placed on autonomous teams who manage their own area, with separate budgets and profit and loss statements for each team. Finally, the company uses a variety of strategies to motivate employees to be engaged and focus on the mission of Whole Foods Market. The company employs extrinsic motivators such as good pay and profit sharing, as well as intrinsic factors such as commitment to the company's mission and culture.

DISCUSSION QUESTIONS

1 Summarize the classical theory of motivation. How can this theory be used to explain motivation at Whole Foods Market?
2 Maslow's hierarchy of needs theory states that human needs can be organized into five levels. On which needs does Whole Foods focus in its efforts to motivate employees?
3 Douglas McGregor concluded that managers may have differing assumptions about employee motivation and performance. Briefly describe Theory X and Theory Y managers. Which of these best describes managers at Whole Foods Market?
4 Victor Vroom's expectancy theory is a contemporary theory that can be very useful in explaining employee behavior and motivation. Use this theory to explain how managers motivate employees at Whole Foods.
5 Whole Foods Market has long used autonomous teams in the workplace. What are the advantages and disadvantages to this approach? Do you think that Whole Foods has made the right decision?

Online Exploration

Because healthy foods often come at a higher price, Whole Foods must work diligently to motivate customers to shop at their stores. One way that Whole Foods motivates customers is by hiring and rewarding excellent employees who provide excellent customer service. Visit Whole Foods' website (www.wholefoods.com) to find other ways that the company motivates customers to shop at the store. List and describe at least three of these strategies.

END NOTES

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