

Motivating and Satisfying Employees and Teams

10

Learning Objectives

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What you will be able to do once you complete this chapter:

- 1 Explain what motivation is.
- 2 Understand some major historical perspectives on motivation.
- 3 Describe three contemporary views of motivation: equity theory, expectancy theory, and goal-setting theory.
- 4 Explain several techniques for increasing employee motivation.
- 5 Understand the types, development, and uses of teams.

Did You Know?

GE rings up \$160 billion in annual revenue and invests more than \$1 billion yearly in developing its global workforce.

General Electric Invests in Employee Motivation

General Electric (GE) knows that an engaged, energetic, and educated workforce is the lifeblood of its business. That's why GE puts a premium on motivating and satisfying its employees. The Connecticut-based multinational rings up \$160 billion in annual revenue from a variety of goods and services, everything from jet engines and credit cards to gas turbines and digital X-ray equipment. It employs 300,000 people worldwide, with more than half its employees located outside the United States.

GE offers a wide range of advancement possibilities, encourages its workforce to learn through formal training and development courses, and offers many paths to achieve a balance between personal and professional objectives. "We believe that life at GE leaves you a better person than when you first walked through our doors," says the CEO. "Our culture is all about providing anyone who works here with the opportunities to exercise their responsibility, creativity, and integrity while growing themselves, their careers, and our business."

Once employees join GE, their careers can blossom in surprising ways as they earn the right to advance within their own business units or transfer to other divisions to round out their skills and experience. They also have access to GE's extensive training and development resources, which are under the direction of the chief learning officer. In all, GE budgets \$1 billion every year for training programs, a sizable commitment to investing in the motivation and education of its workforce.

Newly hired managers know that they will be challenged and rewarded with a combination of classroom training and rotating work assignments. Employees and mid-career managers can choose from a long list of courses in general business operations and specific functional and technical skills. Experienced managers being groomed for executive positions are invited to high-level seminars at GE's John F. Welch Leadership Development Center, named for one of the company's most influential CEOs. In addition to the educational aspects of such training programs, participants are motivated by the ability to test their capabilities in responding to new goals, tapping a wider pool of resources, and interacting with colleagues from different business units.¹

To achieve its goals, any organization—whether it is GE, FedEx, or a local convenience store—must be sure that its employees have more than the right raw materials, adequate facilities, and equipment that works. The organization also must ensure that its employees are *motivated*. To some extent, a high level of employee motivation derives from effective management practices.

In this chapter, after first explaining what motivation is, we present several views of motivation that have influenced management practices over the years: Taylor's ideas of scientific management, Mayo's Hawthorne Studies, Maslow's hierarchy of needs, Herzberg's motivation-hygiene theory, McGregor's Theory X and Theory Y, Ouchi's Theory Z, and reinforcement theory. Then, turning our attention to contemporary ideas, we examine equity theory, expectancy theory, and goal-setting theory. Finally, we discuss specific techniques managers can use to foster employee motivation and satisfaction.

motivation the individual internal process that energizes, directs, and sustains behavior; the personal "force" that causes you or me to behave in a particular way

1

Explain what motivation is.

What Is Motivation?

A *motive* is something that causes a person to act. A successful athlete is said to be "highly motivated." A student who avoids work is said to be "unmotivated." We define **motivation** as the individual internal process that energizes, directs, and sustains behavior. It is the personal "force" that causes you or me to act in a

Table 10.1 The Ten Best Companies to Work For

Rank	Company Name	Number of Employees
1	SAS	5,487
2	Edward Jones	37,079
3	Wegmans Food Markets	36,770
4	Google	N/A
5	Nugget Market	1,342
6	Dreamworks Animation SKG	1,825
7	Netapp	5,033
8	Boston Consulting Group	1,737
9	Qualcomm	12,255
10	Camden Property Trust	1,743

Source: "Top 100 Companies to Work For," *Fortune*, February 8, 2010, 75–77.

particular way. For example, although job rotation may increase your job satisfaction and your enthusiasm for your work so that you devote more energy to it, job rotation may not have the same impact on me.

Morale is an employee's attitude or feelings about the job, about superiors, and about the firm itself. To achieve organizational goals effectively, employees need more than the right raw materials, adequate facilities, and efficient equipment. High morale results mainly from the satisfaction of needs on the job or as a result of the job. One need that might be satisfied on the job is the need *to be recognized* as an important contributor to the organization. A need satisfied as a result of the job is the need for *financial security*. High morale, in turn, leads to dedication and loyalty, as well as to the desire to do the job well. Low morale, however, can lead to shoddy work, absenteeism, and high turnover rates as employees leave to seek more satisfying jobs with other firms. A study conducted by the Society for Human Resource Management showed that 75 percent of all employees are actively or passively seeking new employment opportunities. To offset this turnover trend, companies are creating work environments focused on increasing employee satisfaction. One obvious indicator of satisfaction at a specific organization is whether employees like working there and whether other people want to work there. Table 10.1 shows the top ten best companies to work for, partially determined by measures of employee satisfaction.

Motivation, morale, and the satisfaction of employees' needs are thus intertwined. Along with productivity, they have been the subject of much study since the end of the 19th century. We continue our discussion of motivation by outlining some landmarks of the early research.

Historical Perspectives on Motivation

Researchers often begin a study with a fairly narrow goal in mind. After they develop an understanding of their subject, however, they realize that both their goal and their research should be broadened. This is exactly what happened when early research into productivity blossomed into the more modern study of employee motivation.

Scientific Management

Toward the end of the 19th century, Frederick W. Taylor became interested in improving the efficiency of individual workers. This interest, which stemmed from his own experiences in manufacturing plants, eventually led to **scientific management**, the application of scientific principles to management of work and workers.

One of Taylor's first jobs was with the Midvale Steel Company in Philadelphia, where he developed a strong distaste for waste and inefficiency. He also observed a

2

Understand some major historical perspectives on motivation.

morale an employee's feelings about his or her job and superiors and about the firm itself

scientific management the application of scientific principles to management of work and workers



Employee satisfaction? Employee satisfaction was not of much concern at this automotive production plant in 1914. Today, however, employee satisfaction is a major consideration in many business organizations.

practice he called “soldiering.” Workers “soldiered,” or worked slowly, because they feared that if they worked faster, they would run out of work and lose their jobs. Taylor realized that managers were not aware of this practice because they had no idea what the workers’ productivity levels *should* be.

Taylor later left Midvale and spent several years at Bethlehem Steel. While there, he made his most significant contribution to the field of motivation. He suggested that each job should be broken down into separate tasks. Then management should determine (1) the best way to perform each task and (2) the job output to expect when employees performed the tasks properly. Next, management should carefully choose the best person for each job and train that person in how to do the job properly. Finally, management should cooperate with workers to ensure that jobs were performed as planned.

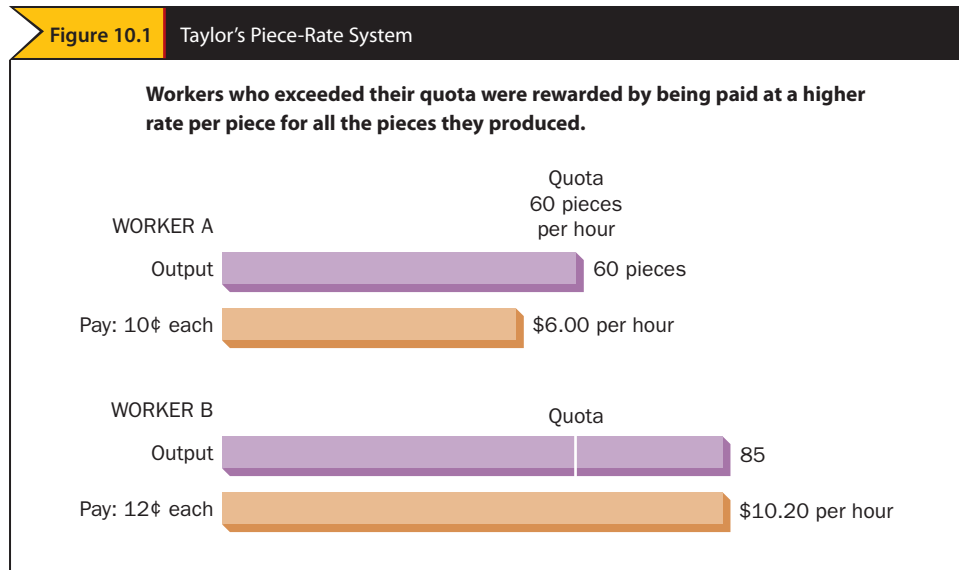
Taylor also developed the idea that most people work only to earn money. He therefore reasoned that pay should be tied directly to output. The more a person produced, the more he or she should be paid. This gave rise to the **piece-rate system**, under which employees

are paid a certain amount for each unit of output they produce. Under Taylor’s piece-rate system, each employee was assigned an output quota. Those exceeding the quota were paid a higher per-unit rate for all units they produced (see Figure 10.1). Today, the piece-rate system is still used by some manufacturers and by farmers who grow crops that are harvested by farm laborers.

When Taylor’s system was put into practice at Bethlehem Steel, the results were dramatic. Average earnings per day for steel handlers rose from \$1.15 to \$1.88. (Do not let the low wages that prevailed at the time obscure the fact that this was an increase of better than 60 percent!) The average amount of steel handled per day increased from 16 to 57 tons.

Taylor’s revolutionary ideas had a profound impact on management practice. However, his view of motivation was soon recognized as overly simplistic and narrow. It is true that most people expect to be paid for their work, but it is also true that people work for a variety of reasons other than pay. Therefore, simply increasing a person’s pay may not increase that person’s motivation or productivity.

Figure 10.1 Taylor’s Piece-Rate System



piece-rate system a compensation system under which employees are paid a certain amount for each unit of output they produce

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The Hawthorne Studies

Between 1927 and 1932, Elton Mayo conducted two experiments at the Hawthorne plant of the Western Electric Company in Chicago. The original objective of these studies, now referred to as the *Hawthorne Studies*, was to determine the effects of the work environment on employee productivity.

In the first set of experiments, lighting in the workplace was varied for one group of workers but not for a second group. Then the productivities of both groups were measured to determine the effect of light. To the amazement of the researchers, productivity increased for both groups. For the group whose lighting was varied, productivity remained high until the light was reduced to the level of moonlight!

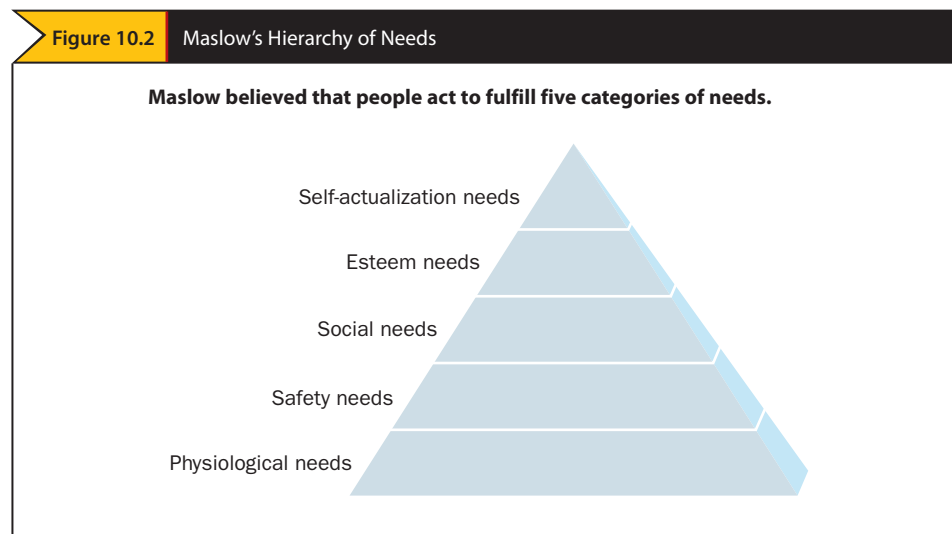
The second set of experiments focused on the effectiveness of the piece-rate system in increasing the output of groups of workers. Researchers expected that output would increase because faster workers would put pressure on slower workers to produce more. Again, the results were not as expected. Output remained constant no matter what “standard” rates management set.

The researchers came to the conclusion that *human factors* were responsible for the results of the two experiments. In the lighting experiments, researchers had given both groups of workers a *sense of involvement* in their jobs merely by asking them to participate in the research. These workers—perhaps for the first time—felt as though they were an important part of the organization. In the piece-rate experiments, each group of workers informally set the acceptable rate of output for the group. To gain or retain the *social acceptance* of the group, each worker had to produce at that rate. Slower or faster workers were pressured to maintain the group’s pace.

The Hawthorne Studies showed that such human factors are at least as important to motivation as pay rates. From these and other studies, the *human relations movement* in management was born. Its premise was simple: Employees who are happy and satisfied with their work are motivated to perform better. Hence, management is best served by providing a work environment that maximizes employee satisfaction.

Maslow’s Hierarchy of Needs

Abraham Maslow, an American psychologist whose best-known works were published in the 1960s and 1970s, developed a theory of motivation based on a hierarchy of needs. A **need** is a personal requirement. Maslow assumed that humans are “wanting” beings who seek to fulfill a variety of needs. He observed that these needs can be arranged according to their importance in a sequence now known as **Maslow’s hierarchy of needs** (see Figure 10.2).



need a personal requirement
Maslow’s hierarchy of needs a sequence of human needs in the order of their importance

Sustaining the Planet

Good Green Fun

At the online auction site eBay, a Green Team promotes sustainability worldwide using the slogan “Inspiring the world to buy, sell, and think green every day.” Through blog entries and Twitter posts, the Green Team offers tips for greener living and highlights eco-friendly activities. Take a look: <http://www.ebaygreenteam.com>.



physiological needs the things we require for survival

safety needs the things we require for physical and emotional security

social needs the human requirements for love and affection and a sense of belonging

esteem needs our need for respect, recognition, and a sense of our own accomplishment and worth

self-actualization needs the need to grow and develop and to become all that we are capable of being

At the most basic level are **physiological needs**, the things we require to survive. They include food and water, clothing, shelter, and sleep. In the employment context, these needs usually are satisfied through adequate wages.

At the next level are **safety needs**, the things we require for physical and emotional security. Safety needs may be satisfied through job security, health insurance, pension plans, and safe working conditions. Many companies are facing increasing insurance premiums for employee health care. Both GE and Hershey recently endured strikes centered on the issue of increased health care costs. Reduced health care coverage is a threat to employees' need for safety. Some companies are trying to find unique solutions to the health care question. For example, SAS, a software company recently ranked as the number one company to work for by *Fortune*, covers 90 percent of its employees' health care premiums and maintains its own medical center that provides several services at no cost to employees.²

Next are the **social needs**, the human requirements for love and affection and a sense of belonging. To an extent, these needs can be satisfied through relationships in the work environment and the informal organization. However, social networks beyond the workplace—with family and friends, for example—are needed, too. Restaurant chain Texas Roadhouse uses fun corporate retreats to help employees meet their social needs. The company regularly holds retreats that are

fun and exciting. During the company's most recent retreat, several of their top-performing employees went to New York, where they watched a meat-cutting contest at Rockefeller Plaza and spent a day at Ellis Island. Although the recession caused many companies to cancel retreats in order to save money, Texas Roadhouse CEO G. J. Hart believes the company retreats are beneficial because motivating and caring for employees results in much happier restaurant guests. This mentality seems to be working, as evidenced by the chain opening 20 new restaurants during the recession and employee turnover rates dropping by 80 percent in the past ten years.³

At the level of **esteem needs**, we require respect and recognition from others and a sense of our own accomplishment and worth (self-esteem). These needs may be satisfied through personal accomplishment, promotion to more responsible jobs, various honors and awards, and other forms of recognition.

At the top of the hierarchy are the **self-actualization needs**, the need to grow, develop, and become all that we are capable of being. These are the most difficult needs to satisfy, and the means of satisfying them tend to vary with the individual. For some people, learning a new skill, starting a new career after retirement, or becoming “the best there is” at some endeavor may be the way to realize self-actualization.

Maslow suggested that people work to satisfy their physiological needs first, then their safety needs, and so on up the “needs ladder.” In general, they are motivated by the needs at the lowest level that remain unsatisfied. However, needs at one

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level do not have to be satisfied completely before needs at the next higher level come into play. If the majority of a person's physiological and safety needs are satisfied, that person will be motivated primarily by social needs. However, any physiological and safety needs that remain unsatisfied also will be important.

Maslow's hierarchy of needs provides a useful way of viewing employee motivation, as well as a guide for management. By and large, American business has been able to satisfy workers' basic needs, but the higher-order needs present more of a challenge. These needs are not satisfied in a simple manner, and the means of satisfaction vary from one employee to another.

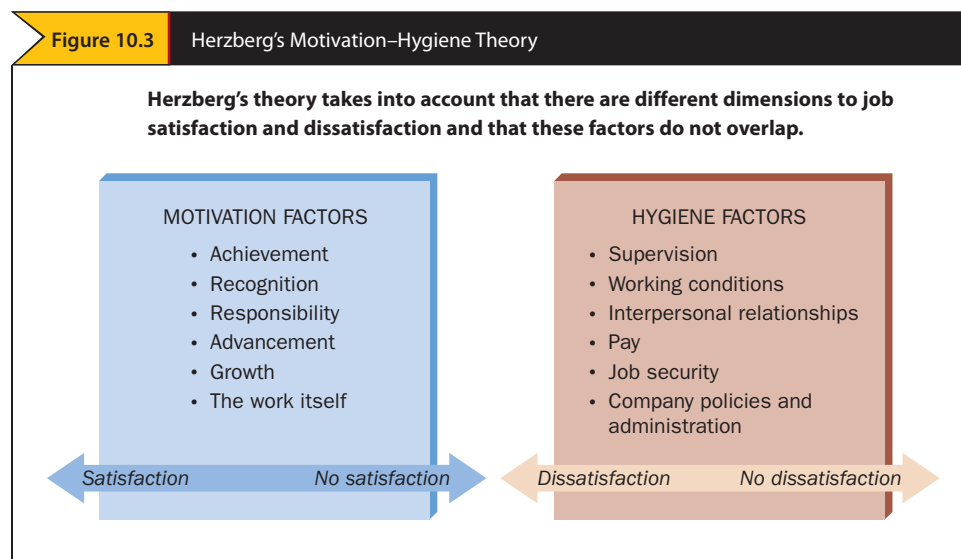
Herzberg's Motivation-Hygiene Theory

In the late 1950s, Frederick Herzberg interviewed approximately 200 accountants and engineers in Pittsburgh. During the interviews, he asked them to think of a time when they had felt especially good about their jobs and their work. Then he asked them to describe the factor or factors that had caused them to feel that way. Next, he did the same regarding a time when they had felt especially bad about their work. He was surprised to find that feeling good and feeling bad resulted from entirely different sets of factors; that is, low pay may have made a particular person feel bad, but it was some factor other than high pay that made that person feel good.



Esteem needs. Employee recognition helps to satisfy esteem needs. Recognition of this type shows respect for an individual and his or her accomplishments.

Satisfaction and Dissatisfaction Before Herzberg's interviews, the general assumption was that employee satisfaction and dissatisfaction lay at opposite ends of the same scale. People felt satisfied, dissatisfied, or somewhere in between. However, Herzberg's interviews convinced him that satisfaction and dissatisfaction may be different dimensions altogether. One dimension might range from satisfaction to no satisfaction, and the other might range from dissatisfaction to no dissatisfaction. In other words, the opposite of satisfaction is not dissatisfaction. The idea that satisfaction and dissatisfaction are separate and distinct dimensions is referred to as the **motivation-hygiene theory** (see Figure 10.3).



motivation-hygiene theory the idea that satisfaction and dissatisfaction are separate and distinct dimensions



Motivation–hygiene theory. Companies sometimes use travel awards as incentives for better employee performance. According to the motivation-hygiene theory, when an incentive for higher performance is not provided, is that a dissatisfier?

The job factors that Herzberg found most frequently associated with satisfaction were achievement, recognition, responsibility, advancement, growth, and the work itself. These factors generally are referred to as **motivation factors** because their presence increases motivation. However, their absence does not necessarily result in feelings of dissatisfaction. When motivation factors are present, they act as *satisfiers*.

Job factors cited as causing dissatisfaction were supervision, working conditions, interpersonal relationships, pay, job security, company policies, and administration. These factors, called **hygiene factors**, reduce dissatisfaction when they are present to an acceptable degree. However, they do not necessarily result in high levels of motivation. When hygiene factors are absent, they act as *dissatisfiers*.

Using Herzberg’s Motivation–Hygiene Theory

Herzberg provides explicit guidelines for using the motivation–hygiene theory of employee motivation. He suggests that the hygiene factors must be present to ensure that a worker can function comfortably. He warns, however, that a state of *no dissatisfaction* never exists. In any situation, people always will be dissatisfied with something.

According to Herzberg, managers should make hygiene as positive as possible, but then should expect only short-term, rather than long-term, improvement in motivation. Managers must focus instead on providing those motivation factors that presumably will enhance motivation and long-term effort.

We should note that employee pay has more effect than Herzberg’s theory indicates. He suggests that pay provides only short-term change and not true motivation. Yet, in many organizations, pay constitutes a form of recognition and reward for achievement—and recognition and achievement are both motivation factors. The effect of pay may depend on how it is distributed. If a pay increase does not depend on performance (as in across-the-board or cost-of-living raises), it may not motivate people. However, if pay is increased as a form of recognition (as in bonuses or incentives), it may play a powerful role in motivating employees to higher performance.

motivation factors job factors that increase motivation, although their absence does not necessarily result in dissatisfaction

hygiene factors job factors that reduce dissatisfaction when present to an acceptable degree but that do not necessarily result in high levels of motivation

Theory X a concept of employee motivation generally consistent with Taylor’s scientific management; assumes that employees dislike work and will function only in a highly controlled work environment

Theory Y a concept of employee motivation generally consistent with the ideas of the human relations movement; assumes that employees accept responsibility and work toward organizational goals, and by doing so they also achieve personal rewards

Theory X and Theory Y

The concepts of Theory X and Theory Y were advanced by Douglas McGregor in his book *The Human Side of Enterprise*. They are, in essence, sets of assumptions that underlie management’s attitudes and beliefs regarding workers’ behavior.⁴

Theory X is a concept of employee motivation generally consistent with Taylor’s scientific management. Theory X assumes that employees dislike work and will function effectively only in a highly controlled work environment.

Theory X is based on the following assumptions:

1. People dislike work and try to avoid it.
2. Because people dislike work, managers must coerce, control, and frequently threaten employees to achieve organizational goals.
3. People generally must be led because they have little ambition and will not seek responsibility; they are concerned mainly about security.

The logical outcome of such assumptions will be a highly controlled work environment—one in which managers make all the decisions and employees take all the orders.

On the other hand, **Theory Y** is a concept of employee motivation generally consistent with the ideas of the human relations movement. Theory Y assumes

Table 10.2 Theory X and Theory Y Contrasted

Area	Theory X	Theory Y
Attitude toward work	Dislike	Involvement
Control systems	External	Internal
Supervision	Direct	Indirect
Level of commitment	Low	High
Employee potential	Ignored	Identified
Use of human resources	Limited	Not limited

that employees accept responsibility and work toward organizational goals, and by doing so they also achieve personal rewards. Theory Y is based on the following assumptions:

1. People do not naturally dislike work; in fact, work is an important part of their lives.
2. People will work toward goals to which they are committed.
3. People become committed to goals when it is clear that accomplishing the goals will bring personal rewards.
4. People often seek out and willingly accept responsibility.
5. Employees have the potential to help accomplish organizational goals.
6. Organizations generally do not make full use of their human resources.

Obviously, this view is quite different from—and much more positive than—that of Theory X. McGregor argued that most managers behave in accordance with Theory X, but he maintained that Theory Y is more appropriate and effective as a guide for managerial action (see Table 10.2).

The human relations movement and Theories X and Y increased managers’ awareness of the importance of social factors in the workplace. However, human motivation is a complex and dynamic process to which there is no simple key. Neither money nor social factors alone can provide the answer. Rather, a number of factors must be considered in any attempt to increase motivation.

Theory Z

William Ouchi, a management professor at UCLA, studied business practices in American and Japanese firms. He concluded that different types of management systems dominate in these two countries.⁵ In Japan, Ouchi found what he calls *type J* firms. They are characterized by lifetime employment for employees, collective (or group) decision making, collective responsibility for the outcomes of decisions, slow evaluation and promotion, implied control mechanisms, nonspecialized career paths, and a holistic concern for employees as people.

American industry is dominated by what Ouchi calls *type A* firms, which follow a different pattern. They emphasize short-term employment, individual decision making, individual responsibility for the outcomes of decisions, rapid evaluation and promotion, explicit control mechanisms, specialized career paths, and a segmented concern for employees only as employees.

A few very successful American firms represent a blend of the type J and type A patterns. These firms, called *type Z* organizations, emphasize long-term employment, collective decision making, individual responsibility for the outcomes of decisions, slow evaluation and promotion, informal control along with some formalized measures, moderately specialized career paths, and a holistic concern for employees.

Ouchi’s **Theory Z** is the belief that some middle ground between his type A and type J practices is best for American business (see Figure 10.4). A major part of Theory Z is the emphasis on participative decision making. The focus is on “we” rather than on “us versus them.” Theory Z employees and managers view the

Theory Z the belief that some middle ground between type A and type J practices is best for American business

The best aspects of Japanese and American management theories combine to form the nucleus of Theory Z.



organization as a family. This participative spirit fosters cooperation and the dissemination of information and organizational values.

Reinforcement Theory

Reinforcement theory is based on the premise that behavior that is rewarded is likely to be repeated, whereas behavior that is punished is less likely to recur. A *reinforcement* is an action that follows directly from a particular behavior. It may be a pay raise after a particularly large sale to a new customer or a reprimand for coming to work late.

Reinforcements can take a variety of forms and can be used in a number of ways. A *positive reinforcement* is one that strengthens desired behavior by providing a reward. For example, many employees respond well to praise; recognition from their supervisors for a job done well increases (strengthens) their willingness to perform well in the future. A *negative reinforcement* strengthens desired behavior by eliminating an undesirable task or situation. Suppose that a machine shop must be cleaned thoroughly every month—a dirty, miserable task. During one particular month when the workers do a less-than-satisfactory job at their normal work assignments, the boss requires the workers to clean the factory rather than bringing in the usual private maintenance service. The employees will be motivated to work harder the next month to avoid the unpleasant cleanup duty again.

Punishment is an undesired consequence of undesirable behavior. Common forms of punishment used in organizations include reprimands, reduced pay, disciplinary layoffs, and termination (firing). Punishment often does more harm than good. It tends to create an unpleasant environment, fosters hostility and resentment, and suppresses undesirable behavior only until the supervisor's back is turned.

Managers who rely on *extinction* hope to eliminate undesirable behavior by not responding to it. The idea is that the behavior eventually will become “extinct.” Suppose, for example, that an employee writes memo after memo to his or her manager about insignificant events. If the manager does not respond to any of these memos, the employee probably will stop writing them, and the behavior will be squelched.

The effectiveness of reinforcement depends on which type is used and how it is timed. One approach may work best under certain conditions, although some situations lend themselves to the use of more than one approach. Generally, positive reinforcement is considered the most effective, and it is recommended when the manager has a choice.

reinforcement theory a theory of motivation based on the premise that rewarded behavior is likely to be repeated, whereas punished behavior is less likely to recur

Continual reinforcement can become tedious for both managers and employees, especially when the same behavior is being reinforced over and over again in the same way. At the start, it may be necessary to reinforce a desired behavior every time it occurs. However, once a desired behavior has become more or less established, occasional reinforcement seems to be most effective.

3

Contemporary Views on Motivation

Maslow's hierarchy of needs and Herzberg's motivation-hygiene theory are popular and widely known theories of motivation. Each is also a significant step up from the relatively narrow views of scientific management and Theories X and Y. However, they do have one weakness: Each attempts to specify *what* motivates people, but neither explains *why* or *how* motivation develops or is sustained over time. In recent years, managers have begun to explore three other models that take a more dynamic view of motivation. These are equity theory, expectancy theory, and goal-setting theory.

Describe three contemporary views of motivation: equity theory, expectancy theory, and goal-setting theory.

Equity Theory

The **equity theory** of motivation is based on the premise that people are motivated to obtain and preserve equitable treatment for themselves. As used here, *equity* is the distribution of rewards in direct proportion to each employee's contribution to the organization. Everyone need not receive the same rewards, but the rewards should be in accordance with individual contributions.

According to this theory, we tend to implement the idea of equity in the following way: First, we develop our own input-to-outcome ratio. *Inputs* are the time, effort, skills, education, experience, and so on, that we contribute to the organization. *Outcomes* are the rewards we get from the organization, such as pay, benefits, recognition, and promotions. Next, we compare this ratio with what we perceive as the input-to-outcome ratio for some other person. It might be a co-worker, a friend who works for another firm, or even an average of all the people in our organization. This person is called the *comparison other*. Note that our perception of this person's input-to-outcome ratio may be absolutely correct or completely wrong. However, we believe that it is correct.

If the two ratios are roughly the same, we feel that the organization is treating us equitably. In this case, we are motivated to leave things as they are. However, if our ratio is the higher of the two, we feel underrewarded and are motivated to make changes. We may (1) decrease our own inputs by not working so hard, (2) try to increase our total outcome by asking for a raise in pay, (3) try to get the comparison other to increase some inputs or receive decreased outcomes, (4) leave the work situation, or (5) do a new comparison with a different comparison other.

Equity theory is most relevant to pay as an outcome. Because pay is a very real measure of a person's worth to an organization, comparisons involving pay are a natural part of organizational life. Managers can try to avoid problems arising from inequity by making sure that rewards are distributed on the basis of performance and that everyone clearly understands the basis for his or her own pay.

Expectancy Theory

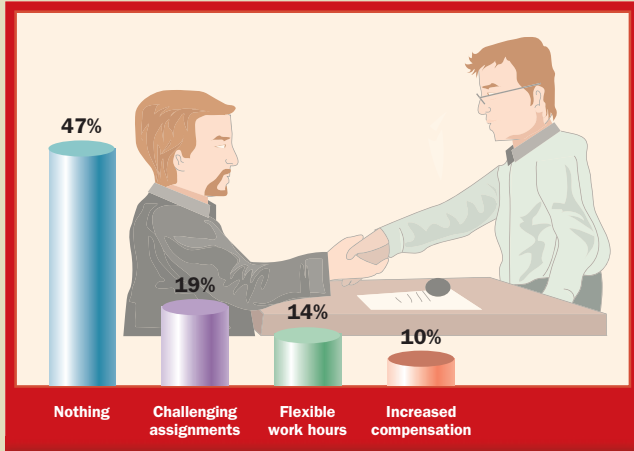
Expectancy theory, developed by Victor Vroom, is a very complex model of motivation based on a deceptively simple assumption. According to expectancy theory, motivation depends on how much we want something and on how likely we think we are to get it (see Figure 10.5). Consider, for example, the case of three sales representatives who are candidates for promotion to one sales manager's job. Bill has had a very good sales year and always gets good performance evaluations. However, he is not sure that he wants the job because it involves a great deal of travel, long working hours, and much stress and pressure. Paul wants the job badly but does not think he has much chance of getting it. He has had a terrible sales year and gets only mediocre performance evaluations from his present boss. Susan wants the

equity theory a theory of motivation based on the premise that people are motivated to obtain and preserve equitable treatment for themselves

expectancy theory a model of motivation based on the assumption that motivation depends on how much we want something and on how likely we think we are to get it



How Does Your Employer Motivate Workers?



Source: Dice salary survey of 16,908 technology workers.

job as much as Paul, and she thinks that she has a pretty good shot at it. Her sales have improved significantly this past year, and her evaluations are the best in the company.

Expectancy theory would predict that Bill and Paul are not very motivated to seek the promotion. Bill does not really want it, and Paul does not think that he has much of a chance of getting it. Susan, however, is very motivated to seek the promotion because she wants it and thinks that she can get it.

Expectancy theory is complex because each action we take is likely to lead to several different outcomes; some we may want, and others we may not want. For example, a person who works hard and puts in many extra hours may get a pay raise, be promoted, and gain valuable new job skills. However, that person also may be forced to spend less time with his or her family and be forced to cut back on his or her social life.

For one person, the promotion may be paramount, the pay raise and new skills fairly important, and the loss of family and social life of negligible importance. For someone else, the family and social life may be most important, the pay raise of moderate importance, the new skills

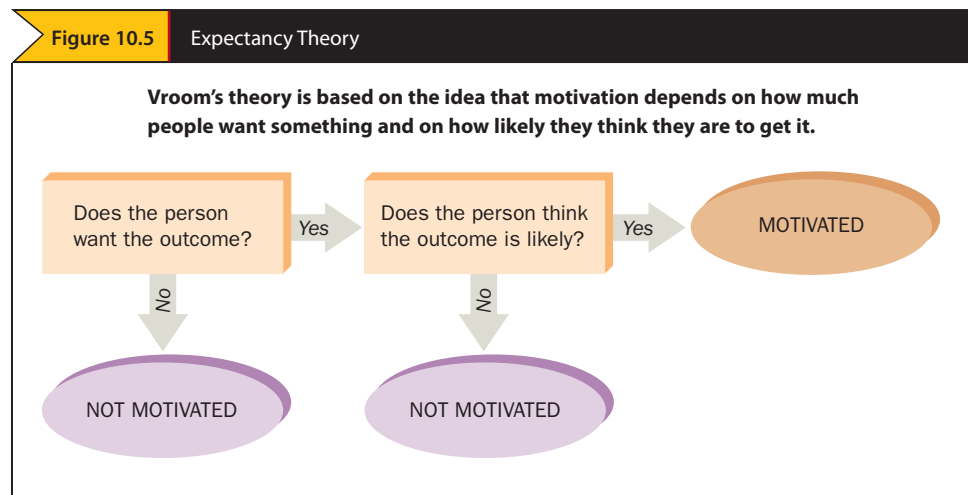
unimportant, and the promotion undesirable because of the additional hours it would require. The first person would be motivated to work hard and put in the extra hours, whereas the second person would not be motivated at all to do so. In other words, it is the entire bundle of outcomes—and the individual’s evaluation of the importance of each outcome—that determines motivation.

Expectancy theory is difficult to apply, but it does provide several useful guidelines for managers. It suggests that managers must recognize that (1) employees work for a variety of reasons; (2) these reasons, or expected outcomes, may change over time; and (3) it is necessary to clearly show employees how they can attain the outcomes they desire.

Goal-Setting Theory

Goal-setting theory suggests that employees are motivated to achieve goals that they and their managers establish together. The goal should be very specific, moderately difficult, and one the employee will be committed to achieve.⁶ Rewards should

goal-setting theory a theory of motivation suggesting that employees are motivated to achieve goals that they and their managers establish together



be tied directly to goal achievement. Using goal-setting theory, a manager can design rewards that fit employee needs, clarify expectations, maintain equity, and provide reinforcement. A major benefit of this theory is that it provides a good understanding of the goal the employee has to achieve and the rewards that will accrue to the employee if the goal is accomplished.

Explain several techniques for increasing employee motivation.

Key Motivation Techniques

Today, it takes more than a generous salary to motivate employees. Increasingly, companies are trying to provide motivation by satisfying employees' less-tangible needs. At times, businesses use simple, low- or no-cost approaches such as those listed in Table 10.3 to motivate workers. Organizations also use more complex approaches. In this section, we discuss several specific techniques that help managers to boost employee motivation and job satisfaction.

Table 10.3 No-Cost/Low-Cost Motivation Techniques

1. Acknowledge and celebrate birthdays and other important events.
2. Allow an employee to choose his/her next assignment.
3. Call an employee to your office to thank him or her (do not discuss any other issue).
4. In the department newsletter, publish a "kudos" column and ask for nominations throughout the department.
5. Nominate the employee for a formal award program.
6. Plan a surprise achievement celebration for an employee or group of employees.
7. Pop in at the first meeting of a special project team and express your appreciation for their involvement.
8. Send a letter to all team members at the conclusion of a project, thanking them for their participation.
9. When you hear a positive remark about someone, repeat it to that person as soon as possible in person or electronically.
10. Widely publicize suggestions used and their positive impact on your department.
11. Support flexible work schedules.
12. Ask the employee to be a mentor to a new hire.
13. Put up a bulletin board in your department and post letters of thanks from customers.
14. Take the opportunity to learn what your people are working on and recognize their efforts.
15. Interview your people and capture their wisdom. Compile the quotes and stories in a booklet and hand it out to employees.
16. Send a letter of praise to the employee's spouse/family.
17. Honor employee subgroups in your department with their own day or week (e.g., Administrative Staff Week, Custodian Week) and present them with flowers, candy, breakfast, and so on.
18. Recognize highly skilled employees with increased responsibility that will develop new skills that may be helpful for advancement.
19. Pass around an office trophy to the employee of the week or other traveling awards.
20. Volunteer to do an employee's least favorite task.
21. Wash the employee's car.
22. Give the person tickets to a ball game, golf lessons, movie tickets, a book by his or her favorite author, "Lunch on me" coupons, and so on.
23. Reserve the best parking spot for employees who have done something truly worthwhile.
24. Send a handwritten note or praise about a specific action, not "thanks for all you do."
25. Create a yearbook for your team with pictures and stories of accomplishments during the year.
26. Copy senior management on your thank-you note to the employee, to advise them of an employee's efforts/accomplishments.
27. Introduce employees to key suppliers, customers, or someone in senior management.
28. Reward ideas even if they fail.
29. Set aside a public space inside your firm as a "wall of fame" and place photos of employees who have accomplished something truly special along with the details of what they did to earn that space.
30. Say, "Thank you."

Sources: Texas A&M University Human Resources Department, <http://employees.tamu.edu/docs/employment/classComp/614recognitionIdeas.pdf>; HRWorld, <http://www.hrworld.com/features/25-employee-rewards/>; Michigan Office of Great Workplace Development, http://www.michigan.gov/documents/firstgentlemen/50_242400_7.pdf.



Setting and achieving goals. Abbott provides hybrid cars to its sales force in order to help achieve environmental goals set by this company.

Management by Objectives

Management by objectives (MBO) is a motivation technique in which managers and employees collaborate in setting goals. The primary purpose of MBO is to clarify the roles employees are expected to play in reaching the organization's goals.

By allowing individuals to participate in goal setting and performance evaluation, MBO increases their motivation. Most MBO programs consist of a series of five steps. The first step in setting up an MBO program is to secure the acceptance of top management. It is essential that top managers endorse and participate in the program if others in the firm are to accept it. The commitment of top management also provides a natural starting point for educating employees about the purposes and mechanics of MBO.

Next, preliminary goals must be established. Top management also plays a major role in this activity because the preliminary goals reflect the firm's mission

and strategy. The intent of an MBO program is to have these goals filter down through the organization.

The third step, which actually consists of several smaller steps, is the heart of MBO:

1. The manager explains to each employee that he or she has accepted certain goals for the group (the manager as well as the employees) and asks the individual to think about how he or she can help to achieve these goals.
2. The manager later meets with each employee individually. Together they establish goals for the employee. Whenever possible, the goals should be measurable and should specify the time frame for completion (usually one year).
3. The manager and the employee decide what resources the employee will need to accomplish his or her goals.

As the fourth step, the manager and each employee meet periodically to review the employee's progress. They may agree to modify certain goals during these meetings if circumstances have changed. For example, a sales representative may have accepted a goal of increasing sales by 20 percent. However, an aggressive competitor may have entered the marketplace, making this goal unattainable. In light of this circumstance, the goal may be revised downward to 10 or 15 percent.

The fifth step in the MBO process is evaluation. At the end of the designated time period, the manager and each employee meet again to determine which of the individual's goals were met and which were not met, and why. The employee's reward (in the form of a pay raise, praise, or promotion) is based primarily on the degree of goal attainment.

As with every other management method, MBO has advantages and disadvantages. MBO can motivate employees by involving them actively in the life of the firm. The collaboration on goal setting and performance appraisal improves communication and makes employees feel that they are an important part of the organization. Periodic review of progress also enhances control within an organization. A major problem with MBO is that it does not work unless the process begins at the top of an organization. In some cases, MBO results in excessive paperwork. Also, a manager may not like sitting down and working out goals with subordinates and may instead just assign them goals. Finally, MBO programs prove difficult to implement unless goals are quantifiable.

Job Enrichment

Job enrichment is a method of motivating employees by providing them with variety in their tasks while giving them some responsibility for, and control over,

management by objectives

(MBO) a motivation technique in which managers and employees collaborate in setting goals

job enrichment a motivation technique that provides employees with more variety and responsibility in their jobs



Employee Empowerment Powers Bonobos' Growth

Although Andy Dunn and Brian Spaly named their e-business Bonobos, they do not monkey around when it comes to employee motivation. Bonobos, co-founded by roommates at Stanford Business School, is a fast-growing young company that manufactures and sells men's clothing. These entrepreneurs continued success depends on the ability of their employees to make the most of every opportunity, solve problems quickly, and turn first-time buyers into loyal repeat customers through outstanding service.

The co-founders have motivation on their mind from the moment they sit down to design a new job or enrich an existing job. Their goal, says Dunn, is to create "an environment where people can come alive every day" and be empowered to deliver the best possible service. The first step is to seek out

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highly qualified candidates who possess skills and expertise that complement the company's strengths. Dunn begins job interviews with one simple statement: "I am not good at what you do, and I need your help."

Because the high-energy culture encourages delegation at all organizational levels, Bonobos prepares new hires with training and on-the-job coaching so that they can make informed decisions on their own. Employees are motivated by being respected by their managers and peers, challenged to do their best, and delegated responsibility for meeting their objectives. Only with such empowerment can Bonobos keep growing and offering the kind of exceptional service that sets it apart from its competition.

Sources: "To Recruit the Best, Admit Weaknesses," *BusinessWeek*, December 29, 2009, http://www.businessweek.com/smallbiz/content/dec2009/sb20091224_646669.htm; Bambi Francisco Roizen, "Can Friends Be Business Partners?" *VatorNews*, November 10, 2009, <http://vator.tv/news/show/2009-11-10-can-friends-be-business-partners>; Matt Kinsey, "Bonobos: An America's Hottest Brands Case Study," *Advertising Age*, November 16, 2009, <http://www.adage.com>.

their jobs. At the same time, employees gain new skills and acquire a broader perspective about how their individual work contributes to the goals of the organization. Earlier in this chapter, we noted that Herzberg's motivation-hygiene theory is one rationale for the use of job enrichment; that is, the added responsibility and control that job enrichment confers on employees increases their satisfaction and motivation. For example, engineers at Google get to spend 20 percent of their time at work on projects of their choosing.⁷ This type of enrichment can motivate employees and create a variety of benefits for the company. At times, **job enlargement**, expanding a worker's assignments to include additional but similar tasks, can lead to job enrichment. Job enlargement might mean that a worker on an assembly line who used to connect three wires to components moving down the line now connects five wires. Unfortunately, the added tasks often are just as routine as those the worker performed before the change. In such cases, enlargement may not be effective.

Whereas job enlargement does not really change the routine and monotonous nature of jobs, job enrichment does. Job enrichment requires that added tasks give an employee more responsibility for what he or she does. It provides workers with both more tasks to do and more control over how they perform them. In particular, job enrichment removes many controls from jobs, gives workers more authority, and assigns work in com-

job enlargement expanding a worker's assignments to include additional but similar tasks



Job enrichment. Volvo was one of the first automobile companies to deviate from the traditional assembly line system and adopt a more employee-centric approach for manufacturing automobiles.

© Casper Hedberg/Bloomberg via Getty Images

plete, natural units. Moreover, employees frequently are given fresh and challenging job assignments. By blending more planning and decision making into jobs, job enrichment gives work more depth and complexity.

Job redesign is a type of job enrichment in which work is restructured in ways that cultivate the worker–job match. Job redesign can be achieved by combining tasks, forming work groups, or establishing closer customer relationships. Employees often are more motivated when jobs are combined because the increased variety of tasks presents more challenge and therefore more reward. Work groups motivate employees by showing them how their jobs fit within the organization as a whole and how they contribute to its success. Establishing client relationships allows employees to interact directly with customers. This type of redesign not only adds a personal dimension to employment but also provides workers with immediate and relevant feedback about how they are doing their jobs.

Job enrichment works best when employees seek more challenging work. Of course, not all workers respond positively to job-enrichment programs. Employees must desire personal growth and have the skills and knowledge to perform enriched jobs. Lack of self-confidence, fear of failure, and distrust of management’s intentions are likely to lead to ineffective performance on enriched jobs. In addition, some workers do not view their jobs as routine and boring, and others even prefer routine jobs because they find them satisfying. Companies that use job enrichment as an alternative to specialization also face extra expenses, such as the cost of retraining. Another motivation for job redesign is to reduce employees’ stress at work. A job redesign that carefully matches worker to job can prevent stress-related injuries, which constitute about 60 to 80 percent of all work-related injuries.

Behavior Modification

Behavior modification is a systematic program of reinforcement to encourage desirable behavior. Behavior modification involves both rewards to encourage desirable actions and punishments to discourage undesirable actions. However, studies have shown that rewards, such as compliments and expressions of appreciation, are much more effective behavior modifiers than punishments, such as reprimands and scorn.

When applied to management, behavior modification strives to encourage desirable organizational behavior. Use of this technique begins with identification of a *target behavior*—the behavior that is to be changed. (It might be low production levels or a high rate of absenteeism, for example.) Existing levels of this behavior are then measured. Next, managers provide positive reinforcement in the form of a reward when employees exhibit the *desired behavior* (such as increased production or less absenteeism). The reward might be praise or a more tangible form of recognition, such as a gift, meal, or trip. Apple Company created the Corporate Gifting and Rewards Program in order to give companies the ability to reward their staff with iPods, iPod accessories, and iTunes gift cards.⁸ Finally, the levels of the target behavior are measured again to determine whether the desired changes have been achieved. If they have been achieved, the reinforcement is maintained. However, if the target behavior has not changed significantly in the desired direction, the reward system must be changed to one that is likely to be more effective. The key is to devise effective rewards that will not only modify employees’ behavior in desired ways but also motivate them. To this end, experts suggest that management should reward quality, loyalty, and productivity.

Flextime

To most people, a work schedule means the standard nine-to-five, 40-hour work week. In reality, though, many people have work schedules that are quite different from this. SC Johnson’s Flexible Work Schedule Program allows employees to create their own work schedule around their personal lives.⁹ Police officers, firefighters, restaurant personnel, airline employees, and medical personnel usually have work schedules that are far from standard. Some manufacturers also rotate personnel

job redesign a type of job enrichment in which work is restructured to cultivate the worker–job match

behavior modification a systematic program of reinforcement to encourage desirable behavior

from shift to shift. Many professional people—such as managers, artists, and lawyers—need more than 40 hours each week to get their work done.

The needs and lifestyles of today's workforce are changing. Dual-income families make up a much larger share of the workforce than ever before, and women are one of its fastest-growing sectors. In addition, more employees are responsible for the care of elderly relatives. Recognizing that these changes increase the demand for family time, many employers are offering flexible work schedules that not only help employees to manage their time better but also increase employee motivation and job satisfaction.

Flextime is a system in which employees set their own work hours within certain limits determined by employers. Typically, the firm establishes two bands of time: the *core time*, when all employees must be at work, and the *flexible time*, when employees may choose whether to be at work. The only condition is that every employee must work a total of eight hours each day. For example, the hours between 9 and 11 a.m. and 1 and 3 p.m. might be core times, and the hours between 6 and 9 a.m., 11 a.m. and 1 p.m., and 3 and 6 p.m. might be flexible times. This would give employees the option of coming in early and getting off early, coming in later and leaving later, or taking an extra long lunch break. But flextime also ensures that everyone is present at certain times, when conferences with supervisors and department meetings can be scheduled. Another type of flextime allows employees to work a 40-hour work week in four days instead of five. Workers who put in ten hours a day instead of eight get an extra day off each week. More than three-quarters of companies currently offer flextime.¹⁰

At times, smaller firms use flextime to attract and retain employees, especially when they cannot match the salaries and benefit package provided by larger companies. Other companies view flextime as an entitlement, given out on a case-by-case basis. For example, Sodexo, a provider of food and facilities management solutions, allows employees with a history of good work performance to propose a flexible schedule to their managers, who then monitor the new schedule through a trial period and semiannual performance reviews. Flextime has been used not only by corporations but also by local governments. For example, the “Flex in the City” event in Houston, Texas, began a few years ago in an effort to lighten the city's congested commutes. The two-week program involving over 200 companies has been held every year since then and is estimated to reduce workers' stress by 58 percent while nearly doubling their productivity.¹¹

The sense of independence and autonomy employees gain from having a say in what hours they work can be a motivating factor. In addition, employees who have enough time to deal with non-work issues often work more productively and with greater satisfaction when they are on the job. Two common problems associated with using flextime are (1) supervisors sometimes find their jobs complicated by having employees who come and go at different times and (2) employees without flextime sometimes resent co-workers who have it.

Part-Time Work and Job Sharing

Part-time work is permanent employment in which individuals work less than a standard work week. The specific number of hours worked varies, but part-time jobs are structured so that all responsibilities can be completed in the number of hours an employee works. Part-time work is of special interest to parents who want more time with their children and people who simply desire more leisure time. One disadvantage of part-time work is that it often does not provide the benefits that come with a full-time position. This is not, however, the

flextime a system in which employees set their own work hours within employer-determined limits

part-time work permanent employment in which individuals work less than a standard work week



Part-time work. UPS employs both full- and part-time workers.

case at Starbucks, where approximately 80 percent of its employees work part-time. Starbucks does not treat its part-time employees any differently from its full-time employees; all receive the same access to numerous benefits, which even includes a free pound of coffee every week.¹²

Job sharing (sometimes referred to as *work sharing*) is an arrangement whereby two people share one full-time position. One job sharer may work from 8 a.m. to noon, and the other may work from 1 to 5 p.m., or they may alternate workdays. Dr. Jennifer Stahl and Dr. Suzy McNulty, two pediatricians in California, recently established their own practice where they can share their work. Dr. Stahl and Dr. McNulty each work two-and-a-half days a week doing clinical duties, and while one of them is working, the other remains on-call in case of an emergency. Any additional paperwork is done when they are not busy with their children, usually in the evenings from home or during a child's practice. They divide the management-related work based on their individual skills: Dr. Stahl handles accounting and marketing, whereas Dr. McNulty takes care of human resources and information technology. Not only do they share their job, but their employees share jobs with each other. This way, everyone has more time to spend with their families.¹³ Job sharing combines the security of a full-time position with the flexibility of a part-time job. For firms, job sharing provides a unique opportunity to attract highly skilled employees who might not be available on a full-time basis. In addition, companies can save on expenses by reducing the cost of benefits and avoiding the disruptions of employee turnover. For employees, opting for the flexibility of job sharing may mean giving up some of the benefits received for full-time work. In addition, job sharing is difficult if tasks are not easily divisible or if two people do not work or communicate well with one another.

Telecommuting

A growing number of companies allow **telecommuting**, working at home all the time or for a portion of the work week. Personal computers, modems, fax machines, voice mail, cellular phones, and overnight couriers all facilitate the work-at-home trend. Working at home means that individuals can set their own hours and have more time with their families.

Companies that allow telecommuting experience several benefits, including increased productivity, lower real estate and travel costs, reduced employee absenteeism and turnover, increased work/life balance, improved morale, and access to additional labor pools. Telecommuting also helps improve the community by decreasing air pollutants, reducing traffic congestion, and lowering consumption of fossil fuels, which can give a company a green factor. Also, by having fewer employees commuting to work, the Reason Public Policy Institute estimates that approximately 350 lives are saved per year. Of all the companies that give employees the option to telecommute or work from home, Deloitte is ranked number one with 93 percent of its employees classified as “regular” telecommuters.¹⁴

Among the disadvantages of telecommuting are feelings of isolation, putting in longer hours, and being distracted by family or household responsibilities. Although most bosses say that they trust their staff to work from home, many think that home workers are work-shy and less productive than office-based staff. A survey conducted in the United Kingdom found that up to 38 percent of managers surveyed believe that home workers are less productive, and 22 percent think that working from home is an excuse for time off. In addition, some supervisors have difficulty monitoring productivity.¹⁵

Cisco, for example, is an industry leader at providing a virtual work environment. Approximately 85 percent of the company's 37,000-member U.S. workforce connects to the company remotely on a regular basis. Cisco's employees use many of the company's own products, including WebEx and TelePresence, which allow employees to attend meetings, do training, and hold video conferences online. Cisco's telecommuting program has boosted employee satisfaction, reduced turnover, and earned the company numerous sustainability awards. Telecommuting

job sharing an arrangement whereby two people share one full-time position

telecommuting working at home all the time or for a portion of the work week

has saved the company over \$277 million and lowers employees' fuel costs by an estimated \$10 million annually.¹⁶

Employee Empowerment

Many companies are increasing employee motivation and satisfaction through the use of empowerment. **Empowerment** means making employees more involved in their jobs and in the operations of the organization by increasing their participation in decision making. With empowerment, control no longer flows exclusively from the top level of the organization downward. Empowered employees have a voice in what they do and how and when they do it. In some organizations, employees' input is restricted to individual choices, such as when to take breaks. In other companies, their responsibilities may encompass more far-reaching issues. For example, at W. L. Gore & Associates, a product-development company, workers are "associates" and never referred to as "employees." Gore's unique lattice management structure creates a nonhierarchical system free from traditional bosses or managers. At Gore, there is no assigned authority, and people become a leader by gaining the respect of their peers. Everyone owns a part of the company through the corporate stock plan. Associates at Gore are never told what to do or given assignments. Instead, they are encouraged to work on their own projects, developing innovative new products and technologies. It is this unique corporate culture at Gore that inspires their associates to explore, discover, and invent.¹⁷

For empowerment to work effectively, management must be involved. Managers should set expectations, communicate standards, institute periodic evaluations, and guarantee follow-up. If effectively implemented, empowerment can lead to increased job satisfaction, improved job performance, higher self-esteem, and increased organizational commitment. Obstacles to empowerment include resistance on the part of management, distrust of management on the part of workers, insufficient training, and poor communication between management and employees.

Employee Ownership

Some organizations are discovering that a highly effective technique for motivating employees is **employee ownership**—that is, employees own the company they work for by virtue of being stockholders. Employee-owned businesses directly reward employees for success. When the company enjoys increased sales or lower costs, employees benefit directly. The National Center for Employee Ownership, an organization that studies employee-owned American businesses, reports that employee stock ownership plans (ESOPs) provide considerable employee incentive and increase employee involvement and commitment. In the United States today, about 13.7 million employees participate in 11,400 ESOPs and stock bonus plans.¹⁸ As a means to motivate top executives and, frequently, middle-ranking managers who are working long days for what are generally considered poor salaries, some firms provide stock options as part of the employee compensation package. The option is simply the right to buy shares of the firm within a prescribed time at a set price. If the firm does well and its stock price rises past the set price (presumably because of all the work being done by the employee), the employee can exercise the option and immediately sell the stock and cash in on the company's success.

The difficulties of such companies as United Airlines have damaged the idea of employee ownership. United Airlines' ESOP failed to solve problems between employees and management. In addition, Lowe's, the home-improvement retailer, recently stopped its long-running and mostly successful ESOP and transferred the remaining money into 401(k) plans.

empowerment making employees more involved in their jobs by increasing their participation in decision making

employee ownership a situation in which employees own the company they work for by virtue of being stockholders

Teams and Teamwork

The concepts of teams and teamwork may be most commonly associated with sports, but they are also integral parts of business organizations. This organizational structure is popular because it encourages employees to participate more fully in business decisions. The growing number of companies organizing their workforces

5

Understand the types, development, and uses of teams.

into teams reflects an effort to increase employee productivity and creativity because team members are working on specific goals and are given greater autonomy. This leads to greater job satisfaction as employees feel more involved in the management process.¹⁹

What Is a Team?

In a business organization, a **team** is two or more workers operating as a coordinated unit to accomplish a specific task or goal.²⁰ A team may be assigned any number of tasks or goals, from development of a new product to selling that product. A team can also be created to identify or solve a problem that an organization is experiencing. Toyota, for example, assembled a team of seven experts in the fields of business, transportation, automobile safety, and technology to help the company after an unprecedented number of vehicles needed to be recalled because of the possibility of sudden acceleration. The team analyzed the company from top to bottom, evaluating Toyota's quality-control methods to figure out how unsafe acceleration problems in certain vehicles went unnoticed during development and testing.²¹ Although teamwork may seem like a simple concept learned on soccer or football fields, teams function as a microcosm of the larger organization. Therefore, it is important to understand the types, development, and general nature of teams.

Types of Teams

There are several types of teams within businesses that function in specific ways to achieve different purposes, including problem-solving teams, self-managed teams, cross-functional teams, and virtual teams.

Problem-Solving Teams The most common type of team in business organizations is the **problem-solving team**. It is generally used temporarily in order to bring knowledgeable employees together to tackle a specific problem. Once the problem is solved, the team typically is disbanded.

In some extraordinary cases, an expert team may be needed to generate groundbreaking ideas. A **virtuoso team** consists of exceptionally highly skilled and talented individuals brought together to produce significant change. As with other kinds of problem-solving teams, virtuoso teams are usually assembled on a temporary basis. Instead of being task-oriented, they focus on producing ideas and provoking change that could have an effect on the company and its industry. Because of the high skill level of their members, virtuoso teams can be difficult to manage. Unlike traditional teams, virtuoso teams place an emphasis on individuality over teamwork, which can cause further conflict. However, their conflicts usually are viewed as competitive and therefore productive in generating the most substantial ideas.²²

Self-Managed Work Teams **Self-managed teams** are groups of employees with the authority and skills to manage themselves. Experts suggest that workers on self-managed teams are more motivated and satisfied because they have more task variety and job control. On many work teams, members rotate through all the jobs for which the team is responsible. Some organizations cross-train the entire team so that everyone can perform everyone else's job. In a traditional business structure, management is responsible for hiring and firing employees, establishing budgets, purchasing supplies, conducting performance reviews, and taking corrective action. When self-managed teams are in place, they take over some or all of these management functions. Xerox, Procter & Gamble, Ferrari, and numerous other companies have used self-managed teams successfully. The major advantages and disadvantages of self-managed teams are mentioned in Figure 10.6.

Cross-Functional Teams Traditionally, businesses have organized employees into departments based on a common function or specialty. However, increasingly, business organizations are faced with projects that require a diversity of skills not

team two or more workers operating as a coordinated unit to accomplish a specific task or goal

problem-solving team a team of knowledgeable employees brought together to tackle a specific problem

virtuoso team a team of exceptionally highly skilled and talented individuals brought together to produce significant change

self-managed teams groups of employees with the authority and skills to manage themselves

Figure 10.6 Advantages and Disadvantages of Self-Managed Teams

While self-managed teams provide advantages, managers must recognize their disadvantages.

ADVANTAGES

- Boosts employee morale
- Increases productivity
- Aids innovation
- Reduces employee boredom

DISADVANTAGES

- Additional training costs
- Teams may be disorganized
- Conflicts may arise
- Leadership role may be unclear

available within a single department. A **cross-functional team** consists of individuals with varying specialties, expertise, and skills that are brought together to achieve a common task. For example, a purchasing agent might create a cross-functional team with representatives from various departments to gain insight into useful purchases for the company. This structure avoids departmental separation and allows greater efficiency when there is a single goal. Although cross-functional teams are not necessarily self-managed, most self-managed teams are cross-functional. They can also be cross-divisional, such as at Dow Chemical Company, which created a cross-divisional team at their West Alexandria plant to improve energy efficiency. The team was able to look throughout the plant's divisions to find ways to save energy, including turning off unnecessary equipment and optimizing various processes, which resulted in 14 percent annual energy savings.²³ Cross-functional teams can also include a variety of people from outside the company, such as the cross-functional team of ergonomists, users, and university scientists that developed a new natural ergonomic keyboard for Microsoft.²⁴ Because of their speed, flexibility, and increased employee satisfaction, it is likely that the use of cross-functional teams will increase.

cross-functional team a team of individuals with varying specialties, expertise, and skills that are brought together to achieve a common task

virtual team a team consisting of members who are geographically dispersed but communicate electronically

Virtual Teams With the advent of sophisticated communications technology, it is no longer necessary for teams to be geographically close. A **virtual team** consists of members who are geographically dispersed but communicate electronically. In fact, team members may never meet in person but rely solely on e-mail, teleconferences, faxes, voice mail, and other technological interactions. In the modern global environment, virtual teams connect employees on a common task across continents, oceans, time zones, and organizations. For example, Mozilla, the software provider responsible for Firefox, regularly requests the help of volunteers to test and improve their products virtually. Some of these volunteers become employees of the organization based on their performance in the project they did.²⁵ In some cases, the physical distances between participants and the lack of face-to-face interaction can be difficult when deadlines approach or communication is not clear.



Virtual team. Virtual team members work together online.

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Going for SUCCESS



Paid Volunteerism Is Good for Everybody!

A growing number of companies are increasing workforce motivation and satisfaction—and making a difference in local communities—by giving employees paid time off to do volunteer work. For example, the global accounting firm PricewaterhouseCoopers encourages employees to give back to their communities by paying them for up to ten hours of volunteering annually in charities, education, and civic projects. With a 60 percent participation rate in its volunteer programs, PricewaterhouseCoopers has found that employees feel particularly good about using their personal and professional skills to help the communities in which they live and work.

Merck, one of the giants of the pharmaceutical industry, will pay its 100,000 employees to volunteer for up to 20 hours a year on non-profit projects of their choice. Umpqua Bank will pay full-time

employees for up to 40 hours annually to volunteer with community-development programs such as Habitat for Humanity or help young people through Big Brothers Big Sisters and other non-profit groups.

W. Rogers Company, which builds water treatment plants, encourages involvement in the community by paying employees for up to ten hours of volunteer work every year. The CEO emphasizes that volunteerism “builds employee morale, increases retention, and is an opportunity for team building and for leadership development. Some of our employees have truly developed into better leaders by serving on various non-profit boards and committees.”

Sources: Quoted in Lee Ann Walton, “Businesses Find Benefits in Volunteering,” *Business Lexington*, March 4, 2010, <http://www.bizlex.com>; Chris Jarvis, “Six Essential Strengths of an Employee Volunteer Program,” *Fast Company blog*, June 11, 2009, <http://www.fastcompany.com/blog/chris-jarvis/innovative-thinking-corporate-volunteering/six-essential-strengths-employee-volunt>; Tony Di Domizio, “Business Outlook: Merck Looks Ahead,” *The Reporter (Pennsylvania)*, February 23, 2010, <http://www.thereporteronline.com>; <http://www.umpquabank.com>.

Developing and Using Effective Teams

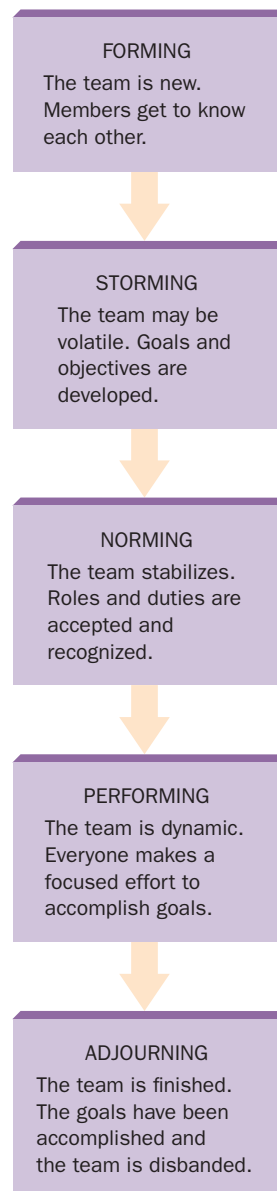
When a team is first developed, it takes time for the members to establish roles, relationships, delegation of duties, and other attributes of an effective team. As a team matures, it passes through five stages of development, as shown in Figure 10.7.

Forming In the first stage, *forming*, team members are introduced to one another and begin to develop a social dynamic. The members of the team are still unsure about how to relate to one another, what behaviors are considered acceptable, and what the ground rules are for the team. Through group member interaction over time, team members become more comfortable and a group dynamic begins to emerge.

Storming During the *storming* stage, the interaction may be volatile and the team may lack unity. Because the team is still relatively new, this is the stage at which goals and objectives begin to develop. Team members will brainstorm to develop ideas and plans and establish a broad-ranging agenda. It is important at this stage for team members to grow more comfortable around the others so that they can contribute openly. At this time, the leadership role likely will be formally undefined. A team member may emerge as the informal leader. The success or failure of the ideas in storming determines how long the team will take to reach the next stage.

Norming After storming and the first large burst of activity, the team begins to stabilize during the *norming* stage. During this process, each person’s role within the group starts to become apparent, and members begin to recognize the roles of others. A sense of unity will become stronger. If it has not occurred already, an identified leader will emerge. The group still may be somewhat volatile at this point and may regress back to the second stage if any conflict, especially over the leadership role, occurs.

When attempting to develop teams, managers must understand that multiple stages are generally required.



Performing The fourth stage, *performing*, is when the team achieves its full potential. It is usually slow to develop and occurs when the team begins to focus strongly on the assigned task and away from team-development issues. The members of the team work in harmony under the established roles to accomplish the necessary goals.

Adjourning In the final stage, *adjourning*, the team is disbanded because the project has been completed. Team members may be reassigned to other teams or tasks. This stage does not always occur if the team is placed together for a task with no specific date of completion. For example, a marketing team for Best Buy may continue to develop promotional efforts for a store even after a specific promotional task has

been accomplished. This stage is especially common in problem-solving teams that are dismantled after the assigned problem has been resolved.

Roles Within a Team

Within any team, each member has a role to play in helping the team attain its objectives. Each of these roles adds important dimensions to team member interactions. The group member who pushes forward toward goals and places the objective first plays the *task-specialist role* by concentrating fully on the assigned task. In a cross-functional team, this might be the person with the most expertise relating to the current task. The *socioemotional role* is played by the individual who supports and encourages the emotional needs of the other members. This person places the team members' personal needs over the task of the team. Although this may sound unimportant, the socioemotional member's dedication to team cohesiveness will lead to greater unity and higher productivity. The leader of the team, and possibly others as well, will play a *dual role*. This dual role is a combination of both the socioemotional and task-specialist roles because this individual focuses on both the task and the team. The team leader might not always play a dual role, but the team is likely to be most successful when he or she does. Sometimes an individual assumes the *nonparticipant role*. This role behavior is characterized by a person who does not contribute to accomplishing the task and does not provide favorable input with respect to team members' socioemotional needs.

Team Cohesiveness

Developing a unit from a diverse group of personalities, specialties, backgrounds, and work styles can be challenging and complicated. In a cohesive team, the members get along and are able to accomplish their tasks effectively. There are factors that affect cohesiveness within a team. Teams generally are ideal when they contain 5 to 12 people. Teams with fewer than 5 people often fail to accomplish tasks and generate a variety of ideas. Teams with more than 12 are too large because members do not develop relationships, may feel intimidated to speak, or may disconnect. It also may be beneficial to have team members introduce themselves and describe their past work experiences. This activity will foster familiarity and shared experiences. One

of the most reliable ways to build cohesiveness within a team is through competition with other teams. When two teams are competing for a single prize or recognition, they are forced to put aside conflict and accomplish their goal. By adding an incentive to finishing the task, the team automatically becomes more goal oriented. Also, a favorable appraisal from an outsider may strengthen team cohesiveness. Because the team is being praised as a group, team members recognize their contribution as a unit. Teams are also more successful when goals have been agreed up on. A team that is clear about its objective will focus more on accomplishing it. Frequent interaction also builds cohesiveness as relationships strengthen and familiarity increases.

Team Conflict and How to Resolve It

Conflict occurs when a disagreement arises between two or more team members. Conflict traditionally has been viewed as negative; however, if handled properly, conflict can work to improve a team. For example, if two team members disagree about a certain decision, both may analyze the situation more closely to determine the best choice. As long as conflict is handled in a respectful and professional manner, it can improve the quality of work produced. However, if conflict turns hostile and affects the work environment, then steps must be taken to arrive at a suitable compromise. Compromises can be difficult in a business organization



Team building. Employees at Sprint participate in team sports, which helps them improve their overall ability to engage in productive team work.

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because neither party ends up getting everything he or she wants. The best solution is a middle-ground alternative in which each party is satisfied to some degree. It is best to avoid attempting to minimize or ignore conflicts within a group because this may cause the conflict to grow as members concentrate on the problem instead of the task. However the conflict is resolved, it is important to remember that conflict must be acknowledged if it is to either be resolved or serve a constructive purpose.

Benefits and Limitations of Teams

Teamwork within a company has been credited as a key to reducing turnover and costs and increasing production, quality, and customer service. There is also evidence that working in teams leads to higher levels of job satisfaction among employees and a harmonious work environment. Thus, an increasingly large number of companies are considering teams as a viable organizational structure. However, the process of reorganizing into teams can be stressful and time consuming with no guarantee that the team will develop effectively. If a team lacks cohesiveness and is unable to resolve conflict, the company may experience lower productivity.

return to inside business

General Electric

GE has long been recognized as a leader in developing corporate leaders, with a world-renowned training and development program that inspires professional growth and high performance. Career-long learning is not the only reason that GE is a talent magnet. It also uses flextime, telecommuting, empowerment, and other techniques to increase motivation and satisfaction in its global workforce.

Given the fast pace of change within the business environment, GE is now emphasizing “more networking, more managing in volatility,” says the CEO. This affects the company’s approach to teamwork as well as its development programs. To maintain its competitive edge, GE is motivating

employees and managers by giving them the skills and the opportunities to tackle difficult business challenges in collaboration with managers and colleagues they respect.

Questions

1. Even with a \$1 billion training budget, GE cannot afford to give every employee and manager exactly the same educational experiences. What do you think GE should do to avoid diminishing employee motivation in this situation?
2. How can GE use its training and development programs to enhance teamwork?

SUMMARY

1 Explain what motivation is.

Motivation is the individual internal process that energizes, directs, and sustains behavior. Motivation is affected by employee morale—that is, the employee’s feelings about the job, superiors, and the firm itself. Motivation, morale, and job satisfaction are closely related.

2 Understand some major historical perspectives on motivation.

One of the first approaches to employee motivation was Frederick Taylor’s scientific management, the application of scientific principles to the management of work

and workers. Taylor believed that employees work only for money and that they must be closely supervised and managed. This thinking led to the piece-rate system, under which employees are paid a certain amount for each unit they produce. The Hawthorne Studies attempted to determine the effects of the work environment on productivity. Results of these studies indicated that human factors affect productivity more than do physical aspects of the workplace.

Maslow’s hierarchy of needs suggests that people are motivated by five sets of needs. In ascending order of importance, these motivators are physiological, safety, social, esteem, and self-actualization needs. People are

motivated by the lowest set of needs that remains unfulfilled. As needs at one level are satisfied, people try to satisfy needs at the next level.

Frederick Herzberg found that job satisfaction and dissatisfaction are influenced by two distinct sets of factors. Motivation factors, including recognition and responsibility, affect an employee's degree of satisfaction, but their absence does not necessarily cause dissatisfaction. Hygiene factors, including pay and working conditions, affect an employee's degree of dissatisfaction but do not affect satisfaction.

Theory X is a concept of motivation that assumes that employees dislike work and will function effectively only in a highly controlled work environment. Thus, to achieve an organization's goals, managers must coerce, control, and threaten employees. This theory generally is consistent with Taylor's ideas of scientific management. Theory Y is more in keeping with the results of the Hawthorne Studies and the human relations movement. It suggests that employees can be motivated to behave as responsible members of the organization. Theory Z emphasizes long-term employment, collective decision making, individual responsibility for the outcomes of decisions, informal control, and a holistic concern for employees. Reinforcement theory is based on the idea that people will repeat behavior that is rewarded and will avoid behavior that is punished.

3 Describe three contemporary views of motivation: equity theory, expectancy theory, and goal-setting theory.

Equity theory maintains that people are motivated to obtain and preserve equitable treatment for themselves. Expectancy theory suggests that our motivation depends on how much we want something and how likely we think we are to get it. Goal-setting theory suggests that employees are motivated to achieve a goal that they and their managers establish together.

4 Explain several techniques for increasing employee motivation.

Management by objectives (MBO) is a motivation technique in which managers and employees collaborate in setting goals. MBO motivates employees by getting them more involved in their jobs and in the organization as a whole. Job enrichment seeks to motivate employees by varying their tasks and giving them more responsibility for and control over their jobs. Job enlargement, expanding a worker's assignments to include additional tasks, is one aspect of job enrichment. Job redesign is a type of job enrichment in which work is restructured to improve the worker–job match.

Behavior modification uses reinforcement to encourage desirable behavior. Rewards for productivity,

quality, and loyalty change employees' behavior in desired ways and also increase motivation.

Allowing employees to work more flexible hours is another way to build motivation and job satisfaction. Flextime is a system of work scheduling that allows workers to set their own hours as long as they fall within the limits established by employers. Part-time work is permanent employment in which individuals work less than a standard work week. Job sharing is an arrangement whereby two people share one full-time position. Telecommuting allows employees to work at home all or part of the work week. All these types of work arrangements give employees more time outside the workplace to deal with family responsibilities or to enjoy free time.

Employee empowerment, self-managed work teams, and employee ownership are also techniques that boost employee motivation. Empowerment increases employees' involvement in their jobs by increasing their decision-making authority. Self-managed work teams are groups of employees with the authority and skills to manage themselves. When employees participate in ownership programs, such as employee stock ownership plans (ESOPs), they have more incentive to make the company succeed and therefore work more effectively.

5 Understand the types, development, and uses of teams.

A large number of companies use teams to increase their employees' productivity. In a business organization, a team is a group of workers functioning together as a unit to complete a common goal or purpose.

There are several types of teams within businesses that function in specific ways to achieve different purposes. A problem-solving team is a team of knowledgeable employees brought together to tackle a specific problem. A virtuoso team is a team of highly skilled and talented individuals brought together to produce significant change. A virtual team is a team consisting of members who are geographically dispersed but communicate electronically. A cross-functional team is a team of individuals with varying specialties, expertise, and skills.

The five stages of team development are forming, storming, norming, performing, and adjourning. As a team develops, it should become more productive and unified. The four roles within teams are task specialist, socioemotional, dual, and nonparticipative. Each of these roles plays a specific part in the team's interaction. For a team to be successful, members must learn how to resolve and manage conflict so that the team can work cohesively to accomplish goals.

Key Terms

You should now be able to define and give an example relevant to each of the following terms:

motivation (278)	self-actualization needs (282)	expectancy theory (287)	telecommuting (294)
morale (279)	motivation–hygiene theory (283)	goal-setting theory (288)	empowerment (295)
scientific management (279)	motivation factors (284)	management by objectives (MBO) (290)	employee ownership (295)
piece-rate system (280)	hygiene factors (284)	job enrichment (290)	team (296)
need (281)	Theory X (284)	job enlargement (291)	problem-solving team (296)
Maslow’s hierarchy of needs (281)	Theory Y (284)	job redesign (292)	virtuoso team (296)
physiological needs (282)	Theory Z (285)	behavior modification (292)	self-managed teams (296)
safety needs (282)	reinforcement theory (286)	flextime (293)	cross-functional team (297)
social needs (282)	equity theory (287)	part-time work (293)	virtual team (297)
esteem needs (282)		job sharing (294)	

Review Questions

- How do scientific management and Theory X differ from the human relations movement and Theory Y?
- How did the results of the Hawthorne Studies influence researchers’ thinking about employee motivation?
- What are the five sets of needs in Maslow’s hierarchy? How are a person’s needs related to motivation?
- What are the two dimensions in Herzberg’s theory? What kinds of elements affect each dimension?
- What is the fundamental premise of reinforcement theory?
- According to equity theory, how does an employee determine whether he or she is being treated equitably?
- According to expectancy theory, what two variables determine motivation?
- Identify and describe the major techniques for motivating employees.
- Describe the steps involved in the MBO process.
- What are the objectives of MBO? What do you think might be its disadvantages?
- How does employee participation increase motivation?
- Describe the steps involved in the process of behavior modification.
- Identify and describe the major types of teams.
- What are the major benefits and limitations associated with the use of self-managed teams?
- Explain the major stages of team development.

Discussion Questions

- How might managers make use of Maslow’s hierarchy of needs in motivating employees? What problems would they encounter?
- Do the various theories of motivation contradict each other or complement each other? Explain.
- What combination of motivational techniques do you think would result in the best overall motivation and reward system?
- Reinforcement theory and behavior modification have been called demeaning because they tend to treat people “like mice in a maze.” Do you agree?
- In what ways are team cohesiveness and team conflict related?

Video Case 10.1

At L.L. Bean, Everyone Is Family

From a tiny mail-order company begun 100 years ago, L.L. Bean has grown into a well-known retail firm with net sales of over \$1.5 billion a year. It encompasses 14 stores in 10 states, continues its ever-popular catalog, has a thriving online store, and sells some 20,000 high-quality items, including clothing for the whole family, accessories, outdoor and camping gear, and even luggage, linens, and furniture. Employees at L.L. Bean share a sense of purpose that closely reflects the values of the company's founders and managers, making them feel like they are part of a large family.

Although its online store has grown enormously in popularity, the company continues to field a huge number of mail and telephone orders year-round, which puts employees in constant direct contact with customers. The company has a world-class training program, so employees' skills are not an issue. In addition, employees' motivation brought the company to the top of *BusinessWeek's* list of companies with outstanding customer service. Why are they so motivated? "Our frontline employees are the face of L.L. Bean and the voice of L.L. Bean to our customers," says the company's vice president of e-commerce, "so they need to feel that they're supported in making the right decisions on behalf of the customer and the company." Describing the way many other firms require their telephone call center employees to bring in a supervisor to resolve customers' problems, the vice president explains why L.L. Bean does things differently. "We expect that the person you talk to on the phone will make it right. Other places you have to say, 'Let me talk to your supervisor,' and we really can't stand that. We look on elevated calls as a bad thing."

Empowering employees to resolve customer problems on their own not only speeds the handling of calls and leaves L.L. Bean's customers more satisfied, it also increases employees' decision-making authority and the pride and satisfaction they feel in their work. The company offers annual bonuses and profit sharing for all year-round employees. However, as one company executive explained, the sense of ownership Bean employees feel in the company isn't founded on money. "It's definitely not based on that kind of incentive. . . . We select employees based on their ability to feel that kind of ownership, based on their invest-

ment in delivering the right customer experience. . . . They have this sort of underlying sense of values that drives them to deliver and . . . act as if they are an owner of the company. I talk about that a lot with my frontline employees."

Communication at the firm goes both ways. L.L. Bean employees also know they are empowered to speak up when they think a product or a business process can be improved. As one manager says, "They would be very clear to the chain of command that 'this doesn't work, and you need to change it so that it better suits the customer.'"

Other ways in which L.L. Bean rewards its employees are the company-owned fitness centers, walking trails, and sporting camps for fishing, kayaking, and skiing that encourage everyone at the firm to stay healthy and active. Ergonomic workstations bring the company's commitment to its employees' well-being right to their desks. During his tenure as president, in fact, Leon Gorman defined the company's stakeholders as including not just customers, stockholders, vendors, communities, and the natural environment, but employees as well. Benefits, wages, discounts, and pensions are competitive, even generous. Some employees have worked for the company for as long as 30 years, and nearly 800 applicants turned out for 130 jobs created by the opening of a new L.L. Bean store in upstate New York. It all comes back to what Gorman calls the power of L.L.'s personality: "His personal charisma, based on down-home honesty, a true love for the outdoors, and a genuine enthusiasm for people inspired all who worked for him." In that respect, the founder's legacy is very much alive today.²⁶

Questions

1. What role do you think empowerment plays at L.L. Bean?
2. Because the company's retail Web site has proven to be so successful, L.L. Bean recently announced the closing of one of its four call centers, but the 220 employees there will have the option to work at another site or telecommute. What net effect do you think closing of the call center will have on employee morale and motivation?
3. What else could L.L. Bean do to motivate its employees?

Case 10.2

Why Do So Many People Want to Work at Google?

Imagine having a job where you could get generous pay, free gourmet lunches and dinners, free any-time snacks, a pet center, free gym membership, a game room, an on-site massage therapist and doctor, hair styling, generous

vacation and maternity benefits, parental leave, adoption benefits, paid take-out meals for new parents, stock options, tuition reimbursement, free shuttle to the office, reimbursement toward the purchase of a hybrid or an electric car,

telecommuting, on-site oil change and car wash, dry cleaning, fitness classes, bike repair, a sauna, roller hockey, an outdoor volleyball court, and much, much more.

That's life at Google, the Internet's dominant search company and one of the trendiest and fastest-growing businesses in the world. The company, based in Mountain View, California, boasts an informal, dynamic, and collaborative culture "unlike any in corporate America." With people's pet dogs happily roaming the shared work spaces, it is clearly unlike most office environments. Google's CEO explains on the company Web site that "the goal is to strip away everything that gets in our employees' way. . . . Let's face it: programmers want to program, they don't want to do their laundry. So we make it easy for them to do both."

Although a few perks are available only at headquarters, employees at all the company's offices can customize their benefits, including traditional health and dental coverage plans, life insurance, and retirement and savings plans, into a package that works for each individual and family. These benefits make for happy and productive employees, many of whom have become millionaires as the company's stock has appreciated in value. All these perks are one of the reasons that *Fortune* magazine includes Google on its list of 100 best places to work in the United States.

Because it must compete directly for top-notch talent with other high-tech firms like Yahoo!, eBay, Facebook, and Amazon.com, Google is committed to retaining those who fit well with its "Google-y" culture, that is, people who are "fairly flexible, adaptable and not focusing on titles and hierarchy, and just get stuff done," according to the company's chief culture officer. The company even conducts an annual "happiness survey" to find out how committed to Google its employees are, why, and what matters to them and their managers. The results are funneled into the company's continuing focus on career development and growth.

Can a company ever provide too many benefits? Google might be about to find out. It recently announced a major

and widely unpopular change in one of its most enviable perks—access to its on-site day-care facilities. Saying the move was a response to a two-year waiting list for entry into the program, which it called "inequitable," the company sharply raised the fee for using the service to well above the market rate (from \$33,000 to \$57,000 a year for two children). It also started charging families several hundred dollars to stay on the waiting list. The list promptly shrank by more than half. After parents protested the price increase, the company scaled it back slightly and changed the company that operates the day-care program, but let the basic outline of its decision stand. It also offers five free days of backup child-care services per year to California employees whose regular day-care arrangements fall through unexpectedly.

Today, Google has trimmed a few of its traditional perks but still offers a lengthy menu of choices. It has not changed its long-standing policy of allowing engineers to devote up to one full workday each week to projects they themselves choose. With the freedom to pursue unusual and creative ideas during company time, engineers can work on their own or team up with colleagues to experiment with new technologies. The next big Google breakthrough might very well grow out of an unofficial project initiated by an engineer taking advantage of his or her right to doodle around with something new during spare moments on the job.²⁷

Questions

1. What does Google gain by offering these generous benefits? Do you think there is any downside to offering so many?
2. Which of Google's benefits appeal to you? Why? Are there any benefits you think the company does not need to offer? Why or why not?
3. What do you think will be the long-term effect of Google's changed child-care benefit? Is it a good idea for companies to reduce or withdraw such benefits?

Building Skills for Career Success



1 JOURNALING FOR SUCCESS

Discovery statement: Many managers use special techniques to foster employee motivation and satisfaction.

Assignment

1. Thinking about your current job (or your most recent job), what types of motivation techniques are being used?
2. How well does each technique work on you and on your co-workers?

3. Thinking about the first job that you will take after completing your studies, what types of motivation techniques will be most effective in motivating you to truly excel in your new position? Explain why.
4. Do you expect that most of your co-workers will be motivated by the same techniques that motivate you? Explain.

2 EXPLORING THE INTERNET

There are few employee incentives as motivating as owning "a piece of the action." Either through profit sharing or equity, many firms realize that the opportunity to share in

the wealth generated by their effort is a primary force to drive employees toward better performance and a sense of ownership. The Foundation for Enterprise Development (<http://www.fed.org/>) is a non-profit organization dedicated to helping entrepreneurs and executives use employee ownership and equity compensation as a fair and effective means of motivating the workforce and improving corporate performance. You can learn more about this approach at the foundation's Web site. Visit the text Web site for updates to this exercise.

Assignment

1. Describe the content and services provided by the Foundation for Enterprise Development through its Web site.
2. Do you agree with this orientation toward motivation of employees/owners, or does it seem contrived to you? Discuss.
3. How else might employees be motivated to improve their performance?

3 DEVELOPING CRITICAL-THINKING SKILLS

This chapter has described several theories managers can use as guidelines in motivating employees to do the best job possible for the company. Among these theories are Maslow's hierarchy of needs, equity theory, expectancy theory, and goal-setting theory. How effective would each of these theories be in motivating you to be a more productive employee?

Assignment

1. Identify five job needs that are important to you.
2. Determine which of the theories mentioned above would work best to satisfy your job needs.
3. Prepare a two-page report explaining how you reached these conclusions.

4 BUILDING TEAM SKILLS

By increasing employees' participation in decision making, empowerment makes workers feel more involved in their jobs and the operations of the organization. Although empowerment may seem like a commonsense idea, it is a concept not found universally at the workplace. If you had empowerment in your job, how would you describe it?

Assignment

1. Brainstorm to explore the concept of empowerment.
 - a. Write each letter of the word *empowerment* in a vertical column on a sheet of paper or on the classroom chalkboard.
 - b. Think of several words that begin with each letter.
 - c. Write the words next to the appropriate letter.
2. Formulate a statement by choosing one word from each letter that best describes what empowerment means to you.
3. Analyze the statement.
 - a. How relevant is the statement for you in terms of empowerment? Or empowerment in your workplace?
 - b. What changes must occur in your workplace for you to have empowerment?
 - c. How would you describe yourself as an empowered employee?
 - d. What opportunities would empowerment give to you in your workplace?
4. Prepare a report of your findings.

5 RESEARCHING DIFFERENT CAREERS

Because a manager's job varies from department to department within firms, as well as among firms, it is virtually impossible to write a generic description of a manager's job. If you are contemplating becoming a manager, you may find it very helpful to spend time on the job with several managers learning firsthand what they do.

Assignment

1. Make an appointment with managers in three firms, preferably firms of different sizes. When you make the appointments, request a tour of the facilities.
2. Ask the managers the following questions:
 - a. What do you do in your job?
 - b. What do you like most and least about your job? Why?
 - c. What skills do you need in your job?
 - d. How much education does your job require?
 - e. What advice do you have for someone thinking about pursuing a career in management?
3. Summarize your findings in a two-page report. Include answers to these questions:
 - a. Is management a realistic field of study for you? Why?
 - b. What might be a better career choice? Why?