CHAPTER 7
MOTIVATION: FROM CONCEPT TO APPLICATIONS

In this chapter, "we review a number of motivation techniques and programs that have gained varying degrees of acceptance in practice. And for each of the techniques and programs we review, we specifically address how they build on one or more of the motivation theories covered in the previous chapter" (p. 188/189).

MANAGEMENT BY OBJECTIVES (MBO)

"**Management by objectives** emphasizes participatively set goals that are tangible, verifiable, and measurable... MBO's appeal undoubtedly lies in its emphasis on converting overall organizational objectives into specific objectives for organizational units and individual members. MBO operationalizes the concept of objectives by devising a process by which objectives cascade down through the organization" (p. 189).

tangible = greifbar, spürbar

MBO:　　　　A program that encompasses specific goals, participatively set, for an explicit time period, with feedback on goal progress.

EMPLOYEE RECOGNITION PROGRAMS

"Recognition can take many forms. You can personally congratulate an employee in private for a good job. You can send a handwritten note or an e-mail message acknowledging something positive that the employee has done. For employees with a strong need for social acceptance, you can publicly recognize accomplishments. And to enhance group cohesiveness and motivation, you can celebrate team successes. You can use meeting to recognize the contributions and achievements of successful work teams" (p. 192).

"One of the most well-known and widely used recognition devices is the use of suggestion systems. Employees offer suggestions for improving processes or cutting costs and are recognized with small cash awards. The Japanese have been especially effective at making suggestion systems work" (p. 193).

EMPLOYEE INVOLVEMENT PROGRAMS

"Employee involvement has become a convenient catchall term to cover a variety of techniques. For instance, it encompasses such popular ideas as employee participation or participative management, workplace democracy, empowerment, and employee ownership... We define it as a participative process that uses the entire capacity of employees and is designed to encourage increased commitment to the organizations's success. The underlying logic is that by involving workers in those decisions that affect them and by increasing their autonomy and control over their work lives, employees will become more motivated, more committed to the organization, more productive, and more satisfied with their jobs" (p. 193).

Are participation and employee involvement synonyms? "No. *Participation* is a more limited term. It's a subset within the larger framework of employee involvement. All of the employee involvement programs we describe include some form of employee participation but the term *participation*, per se, is too narrow and limiting" (p. 193).   subset = Untermenge, Teilmenge   4

EXAMPLES:

a) *Participative Management*
A process in which subordinates share a significant degree of decision-making power with their immediate superiors.

b) *Representative Participation*
Workers participate in organizational decision making through a small group of representative employees.

"The two most common forms that representative participation takes are works councils and board representatives" (p. 195).

Works Councils: Groups of nominated or elected employees who must be consulted when management makes decisions involving personnel.

Board Representatives: A form of representative participation; employees sit on a company's board of directors and represent the interests of the firm's employees.

c) *Quality Circles*

"The quality circle concept is frequently mentioned as one of the techniques that Japanese firms utilize that has allowed them to make high-quality products at low costs. Originally begun in the United States and exported to Japan in the 1950s, the quality circle became quite popular in North America and Europe during the 1980s" (p. 195).

Quality Circle: A work group of employees who meet regularly to discuss their quality problems, investigate causes, recommend solutions, and take corrective actions.

d) *Employee Stock Ownership Plans (ESOPs)*

ESOPs: Company-established benefit plans in which employees acquire stock as part of their benefits.

"ESOPs have the potential to increase employee job satisfaction and work motivation. But for this potential to be realized, employees need to psychologically experience ownership. That is, in addition to merely having a financial stake in the company, employees need to be kept regularly informed on the status of the business and also have the opportunity to exercise influence over the business. The evidence consistently indicates that it takes ownership and a participative style of management to achieve significant improvements in an organization's performance" (p. 197).

VARIABLE PAY PROGRAMS

The Idea: A portion of an employee's pay is based on some individual and/or organizational measure of performance.

a) *Piece-Rate Pay Plans*
Workers are paid a fixed sum for each unit of production completed.

b) *Profit-Sharing Plans*
Organizationwide programs that distribute compensation based on some established formula designed around a company's profitability.

c) *Gainsharing*

An incentive plan in which improvements in group productivity determine the total amount of money that is allocated.

"Isn't gainsharing the same as profit sharing? They're similar but not the same thing. By focusing on productivity gains rather than profits, gainsharing rewards specific behaviors that are less influenced by external factors. Employees in a gainsharing plan can receive incentive awards even when the organization isn't profitable" (p. 199).

SKILL-BASED PAY PLANS

Pay levels are based on how many skills employees have or how many jobs they can do.

"What's the appeal of skill-based pay plans? From management's perspective its appeal is its flexibility. Filling staffing needs is easier to do when employee skills are interchangeable. This is particularly true today, as many organizations cut the size of their workforce. Downsized organizations require more generalists and fewer specialists. While skill-based pay encourages employees to acquire a broader range of skills, there are also other benefits. It facilitates communication across the organization because people gain a better understanding of others' jobs" (p. 202).

"Skill-based pay additionally helps meet the needs of ambitious employees who confront minimal advancement opportunities. These people can increase their earnings and knowledge without a promotion in job title. Finally, skill-based pay appears to lead to performance improvements" (p. 202).

"Skill-based pay appears to be an idea whose time has come" (p. 203).

"Skill-based pay plans are consistent with several motivation theories. Because they encourage employees to learn, expand their skills, and grow, they are consistent with ERG theory. Among employees whose lower-order needs are substantially satisfied, the opportunity to experience growth can be a motivator.

Paying people to expand their skill levels is also consistent with research on the achievement need. High achievers have a compelling drive to do things better or more efficiently. By learning new skills or improving the skills they already hold, high achievers will find their jobs more challenging.

There is also a link between reinforcement theory and skill-based pay. Skill-based pay encourages employees to develop their flexibility, to continue to learn, to cross-train, to be generalists rather than specialists, and to work cooperatively with others on the organization. To the degree that management wants employees to demonstrate such behaviors, skill-based pay should act as a reinforcer.

Skill-based pay may additionally have equity implications. When employees make their input-outcome comparisons, skills may provide a fairer input criterion for determining pay than factors such as seniority or education" (p. 203).

FLEXIBLE BENEFITS

The Idea: Employees tailor their benefit program to meet their personal needs by picking and choosing from a menu of benefit options.

"Giving all employees the same benefits assumes all employees have the same needs. Of course, we know this assumption is false. Thus, flexible benefits turn the benefits' expenditure into a motivator. Consistent with expectancy theory's thesis that organizational rewards should be linked to each individual employee's goals, flexible benefits individualize rewards by allowing each employee to choose the compensation package that best satisfies his or her current needs" (p. 204).

SPECIAL ISSUES IN MOTIVATION

a) MOTIVATING PROFESSIONALS

"Professionals are typically different from nonprofessionals. They have a strong and long-term commitment to their field of expertise. Their loyalty is more often to their profession than to their employer. To keep current in their field, they need to regularly update their knowledge, and their commitment to their profession means they rarely define their workweek in terms of 8 to 5 and five days a week" (p. 205).

"Provide them with ongoing challenging projects. Give them autonomy to follow their interests and allow them to structure their work in ways that they find productive. Reward them with educational opportunities – training, workshops, attending conferences – that allow them to keep current in their field. Also reward them with recognition, and ask questions and engage in other actions that demonstrate to them you're sincerely interested in what they're doing.
An increasing number of companies are creating alternative career paths for their professional/technical people, allowing employees to earn more money and status, without assuming managerial responsibilities" (p. 206).

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b) MOTIVATING CONTINGENT WORKERS

"... contingent employees don't have the security or stability that permanent employees have. As such, they don't have the security or stability that permanent employees have. As such, they don't identify with the organization or display the commitment that other employees do. Temporary workers also are typically provided with little or no health care, pensions, or similar benefits" (p. 206).

"There is no simple solution for motivating temporary employees. For those who prefer the freedom of their temporary status – many students, working mothers, seniors, and professionals who don't want the demands of a permanent job – the lack of stability may not be an issue... What will motivate involuntarily temporary employees? An obvious answer is the opportunity for permanent status. In those cases in which permanent employees are selected from the pool of temporaries, temporaries will often work hard in hopes of becoming permanent..." (p. 206).

c) MOTIVATING THE DIVERSIFIED WORKFORCE

"Not everyone is motivated by money. Not everyone wants a challenging job. The needs of women, singles, immigrants, the physically disabled, senior citizens, and others from diverse groups are not the same as a married, white American male with three dependents... If you're going to maximize your employees' motivation, you've got to understand and respond to this diversity. How? The key word to guide you should be *flexibility*. Be ready to design work schedules, compensation plans, benefits, physical work settings, and the like to reflect your employees' varied needs. This might include offering child and elder care, flexible work hours, and job sharing for employees with family responsibilities..." (p. 206/207).

d) MOTIVATING LOW-SKILLED SERVICE WORKERS

"One of the most challenging motivation problems in industries such as retailing and fast food is: How do you motivate individuals who are making very low wages and who have little opportunity to significantly increase their pay in either their current jobs or through promotions? These jobs are typically filled with people who have limited education and skills, and pay levels are little above minimum wage" (p. 207).

"Unless pay and benefits are significantly increased, high turnover probably has to be expected in these jobs. This can be somewhat offset by widening the recruiting net, making these jobs more appealing, and raising pay levels" (p. 207).

e) MOTIVATING PEOPLE DOING HIGHLY REPETITIVE TASKS

"Motivating individuals in these jobs can be made easier through careful selection. People vary in their tolerance for ambiguity. Many individuals prefer jobs that have a minimal amount of discretion and variety. Such individuals are obviously a better match to standardized jobs than individuals with strong needs for growth and autonomy. Standardized jobs should also be the first considered for automation" (p. 207/208).

"You may not be able to do much more than try to make a bad situation tolerable by creating a pleasant work climate. This might include providing clean and attractive work surroundings, ample work breaks, the opportunity to socialize with colleagues during these breaks, and empathetic supervisors" (p. 208).