

MBA 609

Organizational Behaviour

Week 4

Theories of Motivation/Motivation in action



Objectives for today

- Motivating through reinforcement
- The role of Money
- Creating effective Reward Systems
- Motivating by job redesign
 - Job Characteristic Modes (JCM)
 - Alternative Work Arrangements
- Employee involvement
 - Employee Involvement Programs
 - Linking Employee Involvement Programs to motivation
- Summary of what you learned today

Today's learning outcomes

- What role does reinforcement play in motivation?
- Is money an important motivator?
- What does an effective reward system look like?
- How can jobs be designed to increase motivation?
- How do employees become more involved in the workplace?

Ethics

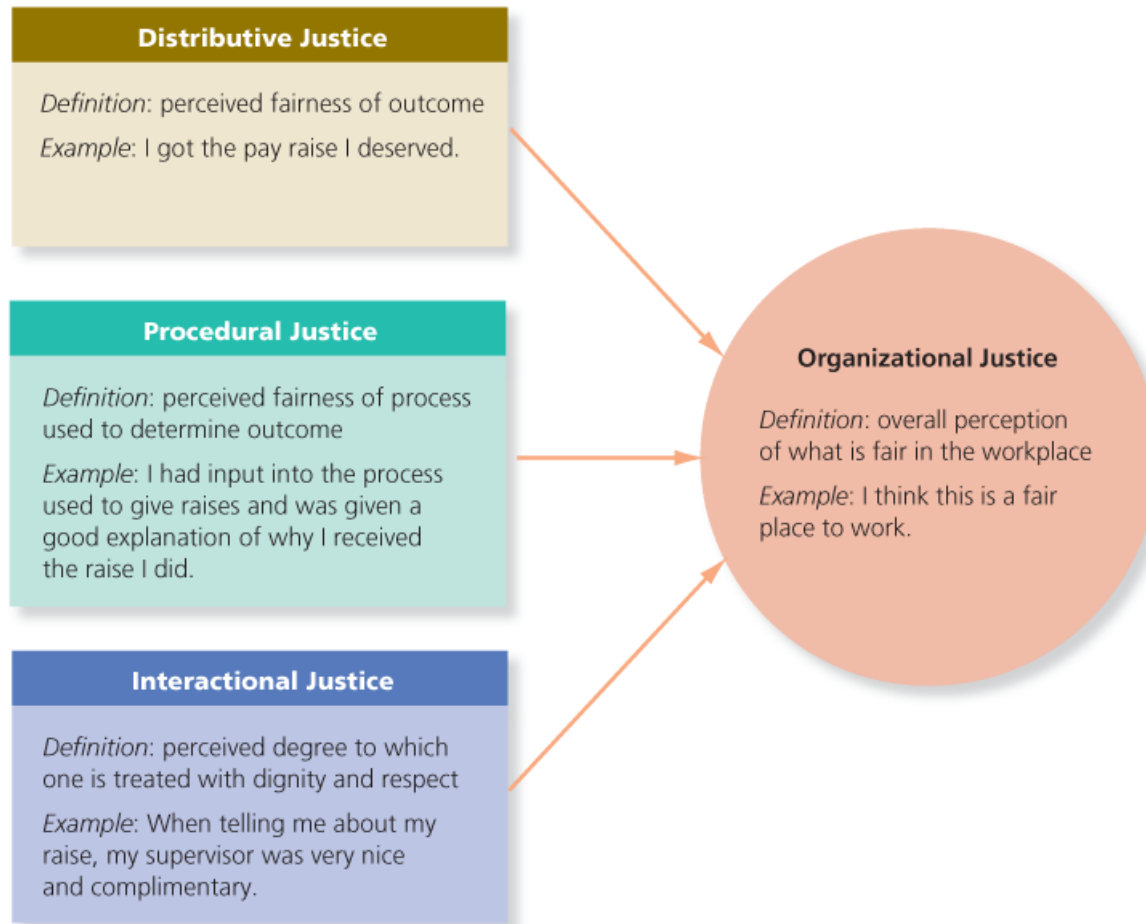
- “that branch of philosophy dealing with values relating to human conduct, with respect to the rightness and wrongness of certain actions and to the goodness and badness of the motives and ends of such actions.” (Dictionary.com)
- “an area of study that deals with ideas about what is good and bad behavior : a branch of philosophy dealing with what is morally right or wrong.” (Merriam-Webstr.com)

Fair process and treatment

- Historically, equity theory focused on:
 - **Distributive Justice:** perceived fairness of the amount and allocation of resources among individuals.
- Equity is thought of from various standpoints:
 - **Organizational Justice:** an overall perception of what is fair in the workplace.
 - **Procedural Justice:** perceived fairness of the process used to determine the distribution of rewards.
 - **Interactional Justice:** an individual's perception of the degree to which he is treated with dignity, concern, and respect

Model of Organizational Justice

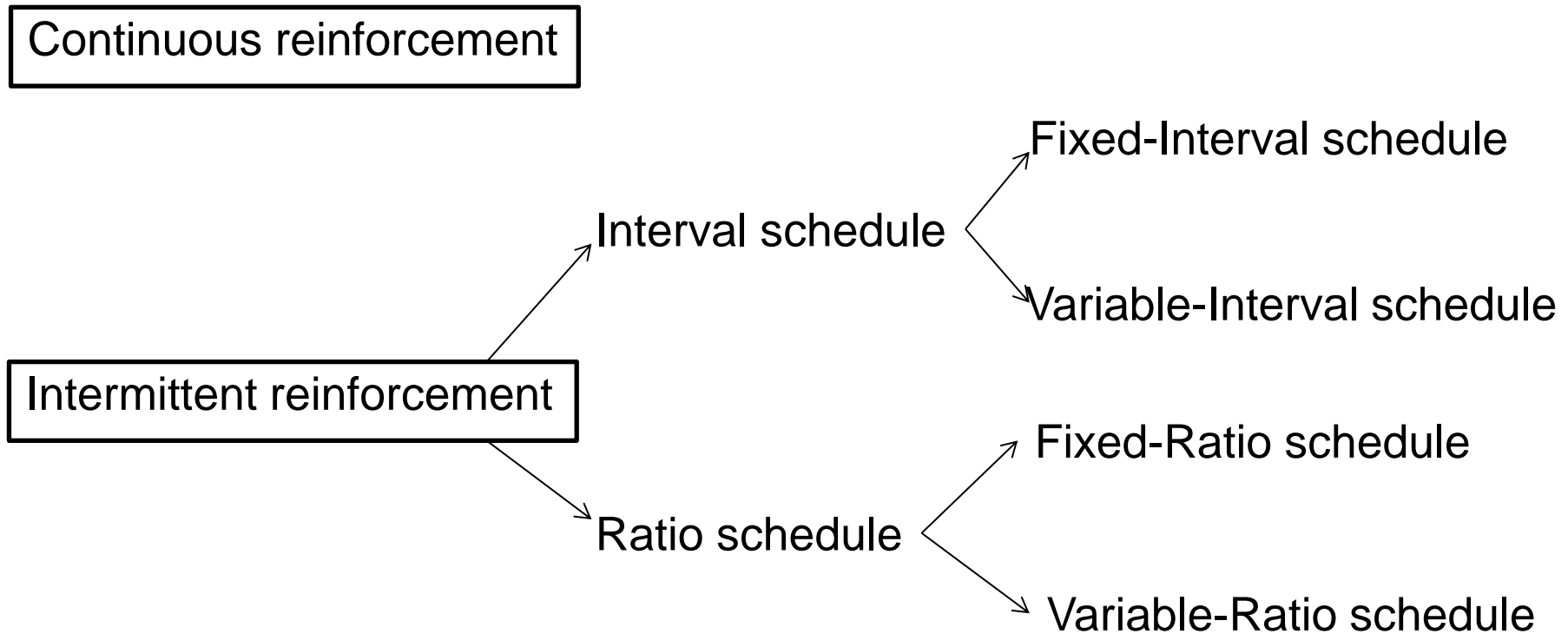
EXHIBIT 4-11 Model of Organizational Justice



Motivating Through Reinforcement: Shaping the behaviour

- **Positive reinforcement**
 - Following a response with something pleasant.
- **Negative reinforcement**
 - Following a response by the termination or withdrawal of something unpleasant.
- **Punishment**
 - Causing an unpleasant condition in an attempt to eliminate an undesirable behaviour.
- **Extinction**
 - Eliminating any reinforcement that is maintaining a behaviour.

Motivating Through Reinforcement: Schedules of Reinforcement



Motivating Through Reinforcement: Schedules of Reinforcement

- The two major types of reinforcement schedules are *continuous* and *intermittent*.
 - ***Continuous reinforcement:*** reinforces desired behaviour each and every time it is demonstrated.
 - ***Intermittent reinforcement:*** ratio or interval
 - The individual is reinforced after giving a certain number of specific types of behaviour.
 - The individual is reinforced on the first appropriate behaviour after a particular time has elapsed.

Intermittent Reinforcement

An Intermittent reinforcement can also be classified as fixed or variable.

- Reward given at **Fixed-interval schedule**
- Reward given at **Variable-interval schedule**
- Reward given at fixed amount of output: **Fixed-ratio schedule**
- Reward given at variable amount of output: **Variable-ratio schedule**

Bullying Bosses

In groups of 4, try to answer the following questions:

1. Of the 3 types of organizational justice, which one does workplace bullying most closely resemble?
2. If you are a victim of workplace bullying, what steps would you take to try to reduce its occurrence? What strategies would be most effective? What strategies might be ineffective? What would you do if one of your colleagues were a victim of an abusive supervisor?
3. What factors do you believe contribute to workplace bullying? Are bullies a product of the situation, or do they have flawed personalities?

The role of Money

- Does money motivate?
- Research leads us to the following:
 - Money help some needs to get met, but is not employee top priority
 - Pay level is only moderately correlated to job satisfaction
 - Recent research: Money is not the sole motivator for Millenials an Baby Boomers
 - Personality traits and individual factors correlate with the individual's attitude towards money

Effective Reward Systems

What to pay? How to pay it?

What to pay?

- Equity is key: internal equity and external equity
- What if you pay above the market value?
- What if you pay below the market value?

Effective Reward Systems

What to pay? How to pay it?

How to pay?

- Variable-pay programs

Individual-based incentives	Group-based incentives	Organizational-based incentives
Pay-rate wages	Gain-sharing	Profit-sharing plans
Merit-based pay		Employee stock ownership plans
Bonuses		
Skill-based pay		

Teamwork Variable-pay programs

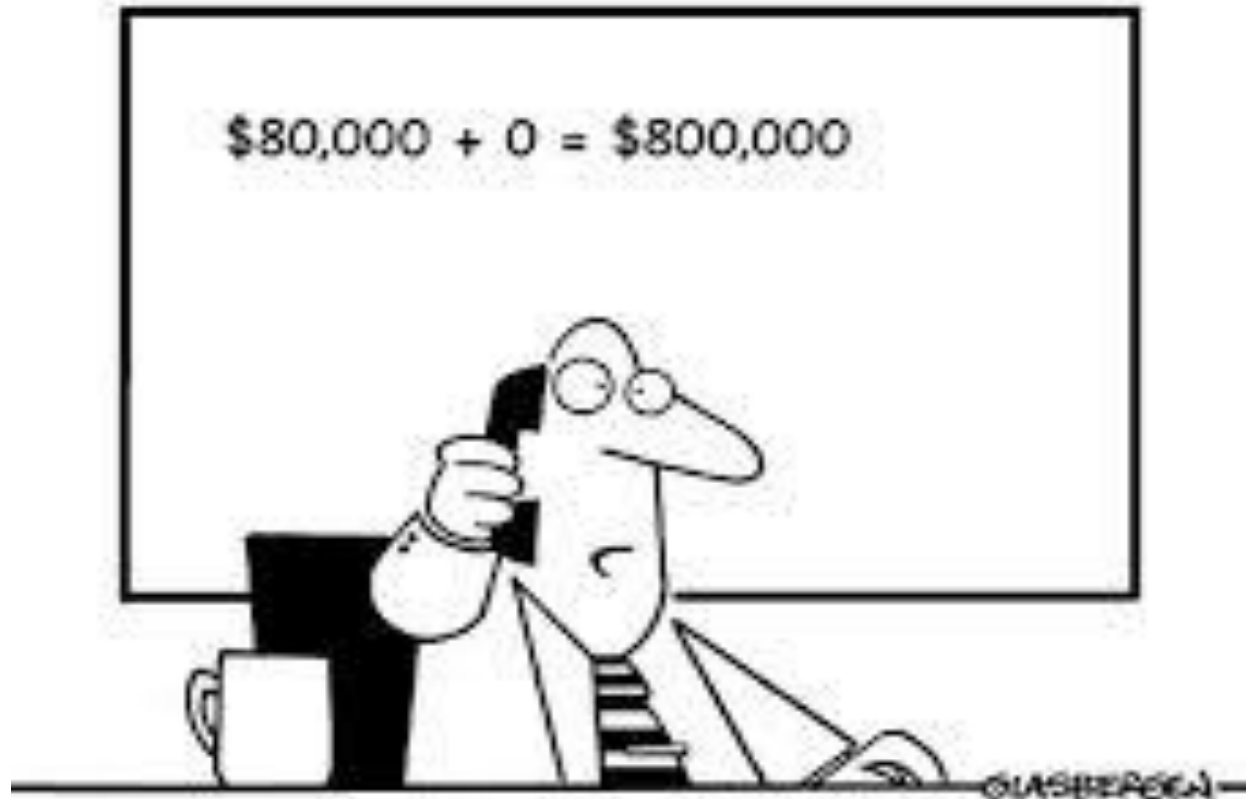
PAY PLAN	DESCRIPTION	ADVANTAGES	DISADVANTAGES
Profit sharing	Employees receive a cash bonus based on organization profits	<ul style="list-style-type: none"> • Employees have a sense of ownership. • Aligns employee goals with organization goals. • Only pays when the organization makes a profit. 	<ul style="list-style-type: none"> • Many factors beyond the control of employees can affect profits. • It is difficult for employees to see the impact of their actions on organization profits.
Employee stock ownership	Employees can own a set amount of the organization's shares.	<ul style="list-style-type: none"> • Creates a sense of legal and psychological ownership for employees. • Aligns employees' goals and interests with those of the organization. 	<ul style="list-style-type: none"> • Many factors can influence the value of an organization's shares, regardless of employees' effort and performance. • It is difficult for employees to see the connection between their efforts and the value of their organization's stocks. • They lose their motivational potential in a weak economy when the value of an organization's stocks decline.
Gainsharing	When measured costs decrease, employees receive a bonus based on a predetermined formula.	<ul style="list-style-type: none"> • Aligns organization and employee goals. • Encourages teamwork and cooperative behaviour. 	<ul style="list-style-type: none"> • Bonuses might be paid even when the organization does not make a profit. • Employees might neglect objectives that are not included in the formula.
Skill-based pay	Employees are paid according to the number of job skills they acquire.	<ul style="list-style-type: none"> • Encourages employees to learn new skills. • Greater flexibility in task assignments. • Provides employees with a broader picture of the work process. 	<ul style="list-style-type: none"> • Increases the cost of training. • Labour costs can increase as employees acquire more skills.

Effective Reward Systems

- Employee Recognition Programs:
 - Recognition, recognition and more recognition
 - It starts with a simple `thank you`, and more
- Flexible Benefits Packages:
 - Best satisfies each individual's needs
- Both consistent with the Expectancy theory

Are CEOs paid too much?

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"That's right, I've decided to give myself
zero pay raise this year."

Ethical Dilemma: Are CEOs paid too much? (page 206)

- Make groups of 4
- Discuss the case and come up with your views on the title question.
- Use your knowledge of the motivation theories to support your views.
- We will follow with a class discussion.

Motivating by job redesign

We will look at 3 particular aspects:

- The Job Characteristic Model (JCM)
- How to redesign a job
- Alternative Work Arrangements

Job Characteristics Model

1. Skill variety

High variety: The owner-operator of a garage who does electrical repair, rebuilds engines, does body work, and interacts with customers.

Low variety: A body shop worker who sprays paint eight hours a day.

2. Task identity

High identity: A cabinet maker who designs a piece of furniture, selects the wood, builds the object, and finishes it to perfection.

Low identity: A worker in a furniture factory who operates a lathe solely to make table legs.

3. Task significance

High significance: Nursing the sick in a hospital intensive care unit.

Low significance: Sweeping hospital floors.

4. Autonomy

High autonomy: A telephone installer who schedules his or her own work for the day, makes visits without supervision, and decides on the most effective techniques for a particular installation.

Low autonomy: A telephone operator who must handle calls as they come according to a routine, highly specified procedure.

5. Job feedback

High feedback: An electronics factory worker who assembles a radio and then tests it to determine if it operates properly.

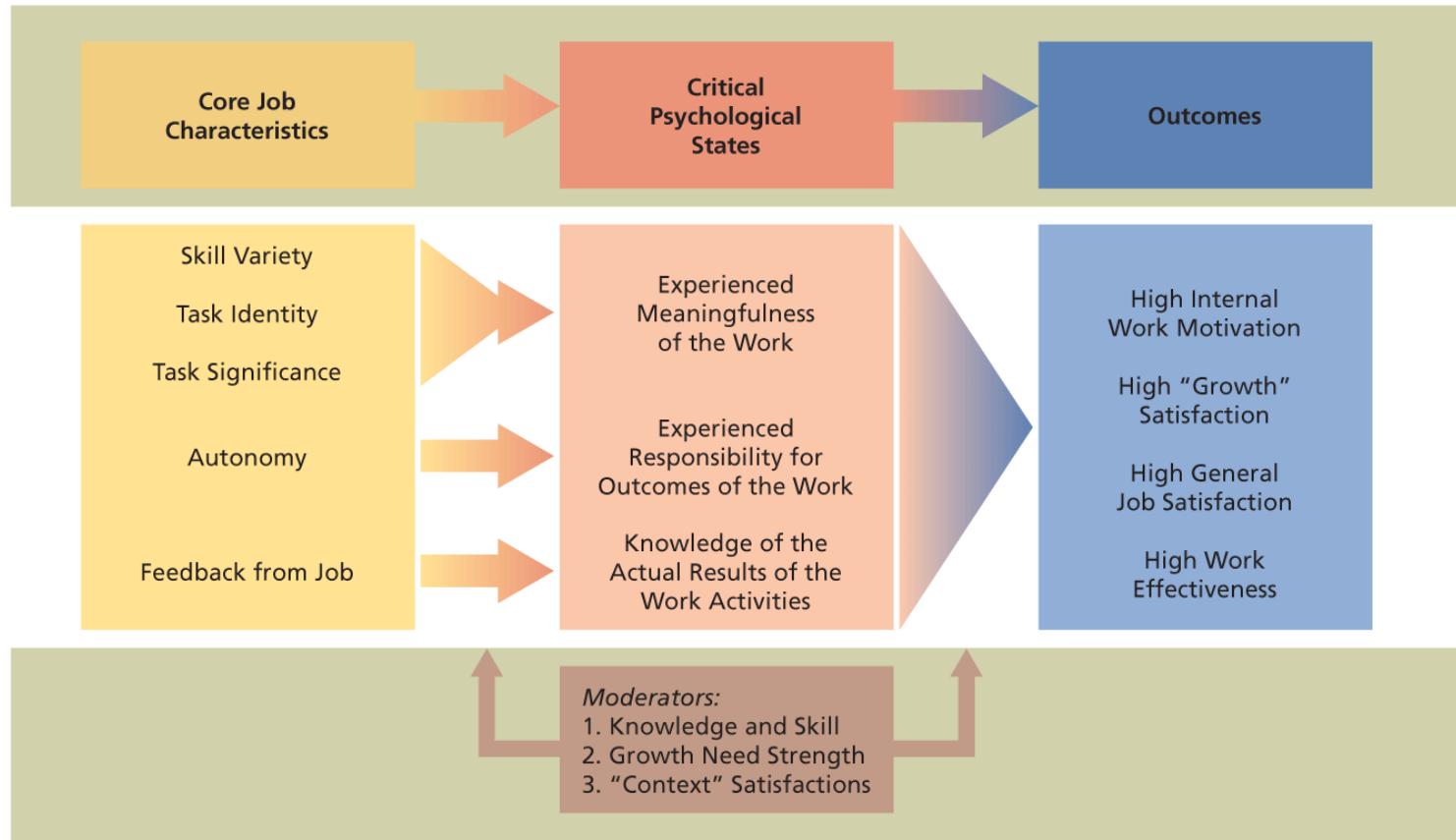
Low feedback: An electronics factory worker who assembles a radio and then routes it to a quality control inspector who tests it for proper operation and makes needed adjustments.



Core job characteristics examples.

The JCM shows that
There are 5 core job
Characteristics
That have particularly
strong potential to affect
Worker motivation

Job Characteristics Model



Job Characteristics Model

- Motivational Potential Score (MPS)

$$\text{MPS} = \left[\frac{\text{Skill variety} + \text{Task identity} + \text{Task significance}}{3} \right] * \text{Autonomy} * \text{Feedback}$$

- To be high on motivating potential , jobs need to be high on at least one of the factors that lead to experience meaningfulness, and high on both autonomy and feedback.

Job redesign

- Job Rotation: moving an employee to another task that requires same skills at the same level
- Advantages and drawbacks:

Advantages	Drawbacks
Reduces boredom, increases motivation, increases meaningfulness	Increases training costs and decreases productivity
Flexibility to management when employee has several skills	Creates disruptions in the receiving group
	Managers' involvement increases: coaching and supervision

Job Enrichment

- Q: How would a manager enrich an employee's job?
- A: By working on the 5 Core Job Characteristics
 - Skill variety
 - Task intensity
 - Task significance
 - Autonomy
 - Feedback

Principles of vertical job loading

F. Herzberg, *One more time: How do you motivate employees*, HBR, January 2003

- Remove some controls while retaining accountability
- Increase accountability of individuals for own work
- Give person a complete natural unit of work
- Grant additional authority; job freedom
- Make periodic reports directly available to workers themselves rather than supervisors
- Introduce new, more difficult tasks
- Assign workers to specialized tasks, enabling them to become experts

Some steps for job enrichment F.

Herzberg, One more time: How do you motivate employees, HBR, January 2003

- Select jobs, approaching them with the conviction that they can be changed
- Brainstorm possible changes
- Screen to remove hygiene suggestions & horizontal loading
- Avoid direct participation by the employees whose jobs are to be enriched
- Be prepared for an initial drop in performance
- Expect first-line supervisors to experience some anxiety

Analyzing and Redesigning jobs (page 205)

- Make groups of 5.
- Choose one (or two) of the worst jobs you ever had (or heard of)
- Calculate the Motivating Potential Score (MPS)
- Discuss whether the score accurately reflects your perceptions of the motivating potential of these professions
- Using your knowledge of job redesign, what would you recommend to management to increase this job`s motivation potential.

Alternative Work Arrangements

AWA	Definition	Advantages	Drawbacks
Flextime	A specific number of variable hours within limits	<ul style="list-style-type: none"> -Reduces absenteeism -Increases job sat and productivity 	<ul style="list-style-type: none"> -Not applicable to every job -Reduces group interactions
Job sharing	2 or more (part-time) people split a job	<ul style="list-style-type: none"> -Increases job sat and productivity 	<ul style="list-style-type: none"> -Finding compatible employee -negative perception on individual
Work sharing	2 or more (full-time) people split the work	<ul style="list-style-type: none"> -Avoid layoffs -Cuts costs - Allow retain high skill workers 	<ul style="list-style-type: none"> -Reducing full time to part time
Teleworking (Virtual office/Telework)	Working anywhere away from office, but staying in contact electronically	<ul style="list-style-type: none"> -Cut cost for org., -Increase work-life balance for employee 	<ul style="list-style-type: none"> -Reduces group interations -Reduces employee visibility
Compressed work week	Working the full number of hours in less than 5 days	<ul style="list-style-type: none"> -Reduce absenteeism -Work-life balance 	<ul style="list-style-type: none"> -Reduced customer service -Fatigue

What did I learn today?
Make your own summary