

MOTIVATION & HUMAN RESOURCE

Objectives

Define motivation and identify the classical motivation theories

Why many consider expectancy theory to be the best current explanation of employee motivation

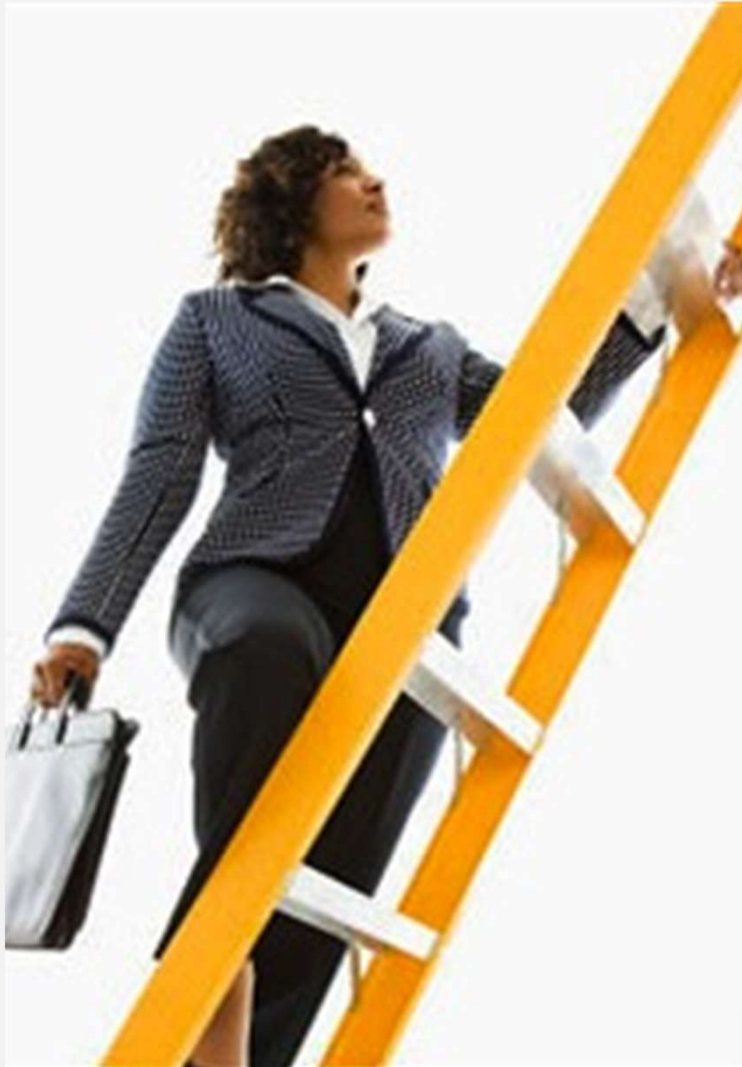
Identify the strengths & weaknesses of goal-setting theory

Describe the job characteristics model & explain how it helps predict motivation & performance

Define reinforcement theory and differentiate from positive and negative reinforcement

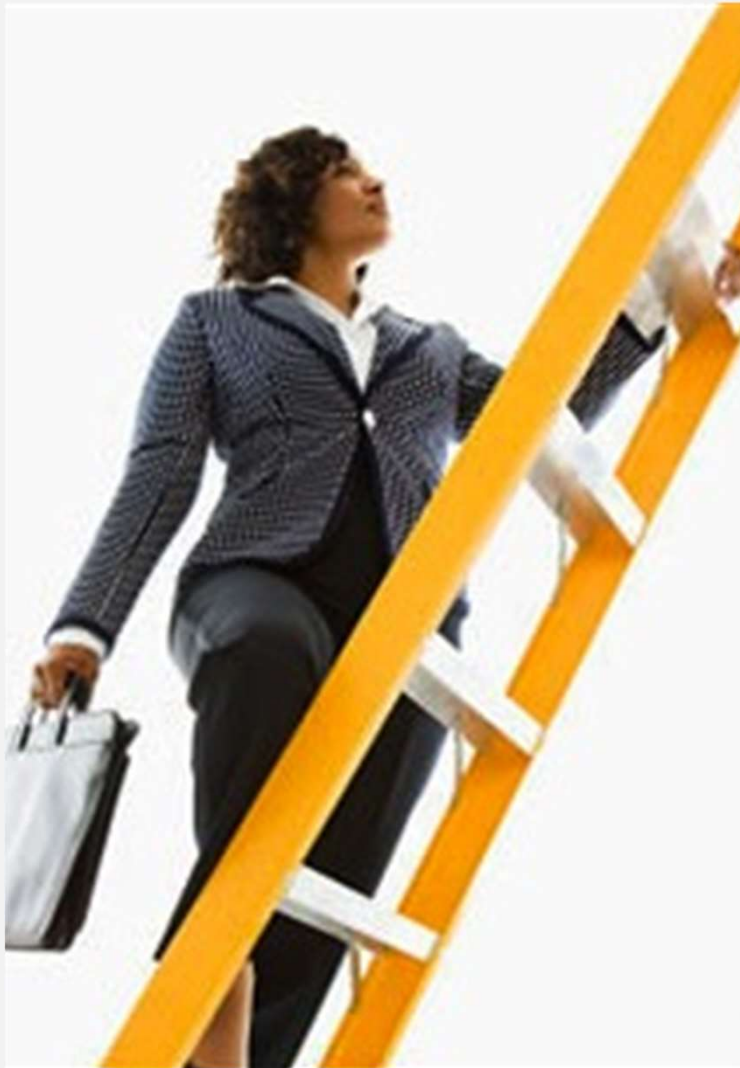
List 5 managerial strategies that are vital to maintaining a motivated workforce

Behind the Scenes



Does the
notion of
climbing the
corporate
ladder hold
true?

Behind the Scenes



Never worked for millions of business professionals. Not even for those who believe in continuous numbers.

Employees have to meet other demands in life.

One-size-
fits all
approach to
managing &
motivating
employees
rarely
works

no single theory or
model can explain

forces that affect it
varies from person
to person

reliance on
obsolete &
discredited theories

WHAT MOTIVATES
EMPLOYEES TO
PEAK
PERFORMANCE?



motivation

The combination of forces that drive individuals to take certain actions and avoid other actions.

motivation

The combination of forces that drive individuals to take certain actions and avoid other actions.

engagement

An employee's
rational and emotional
commitment to
his/her work.

satisfaction

How happy employees are with their experience of work and how they are treated.

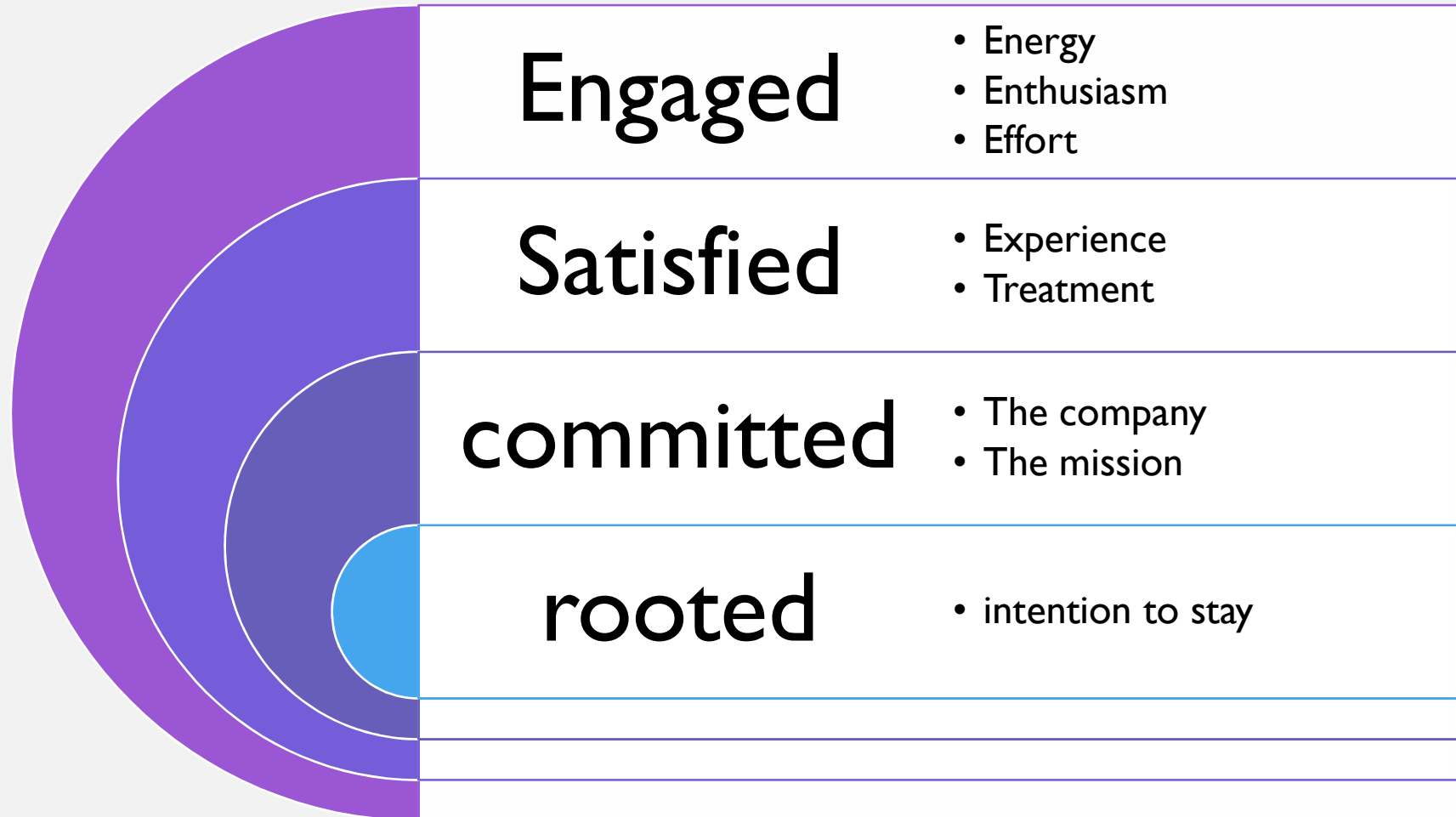
commitment

The degree to which employees support the company and its mission.

rootedness

The likelihood that
the employee will
stay in their jobs.

Four Indicators of Motivation



Four Fundamental Drives

drive to acquire

- both physical and psychological goods
- relative: employee versus others

drive to bond

- Need to feel a part of something larger
- Inspires to contribute to common goals
- Stokes “us-versus-them”

drive to comprehend

- learning, growing, being challenged, making sense of things

drive to defend

- instinct to protect & sense of justice
- Fight for what is right

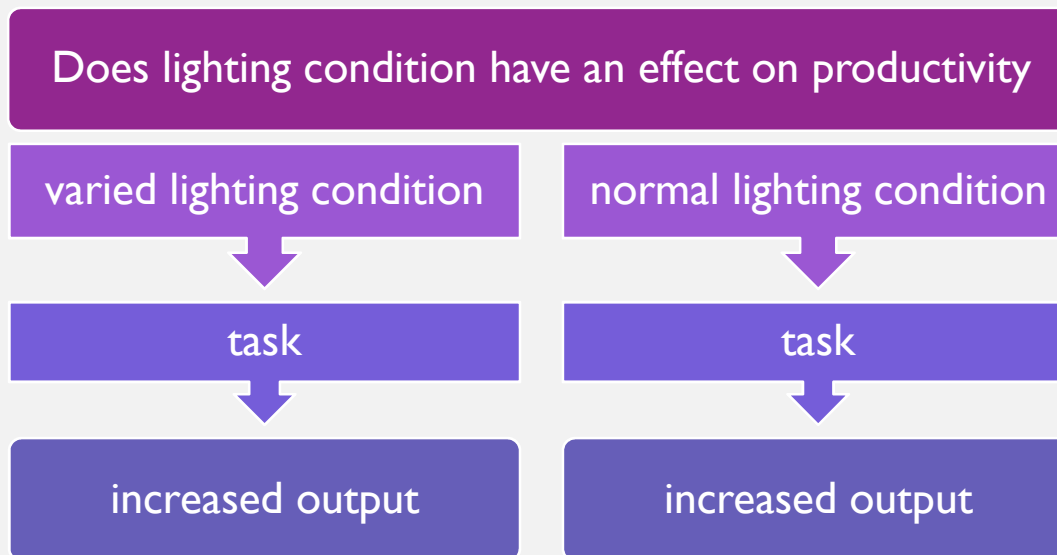
Classical Theories of Motivation

Scientific Management



A management approach designed to improve employees' efficiency by scientifically studying their work

Classical Theories of Motivation

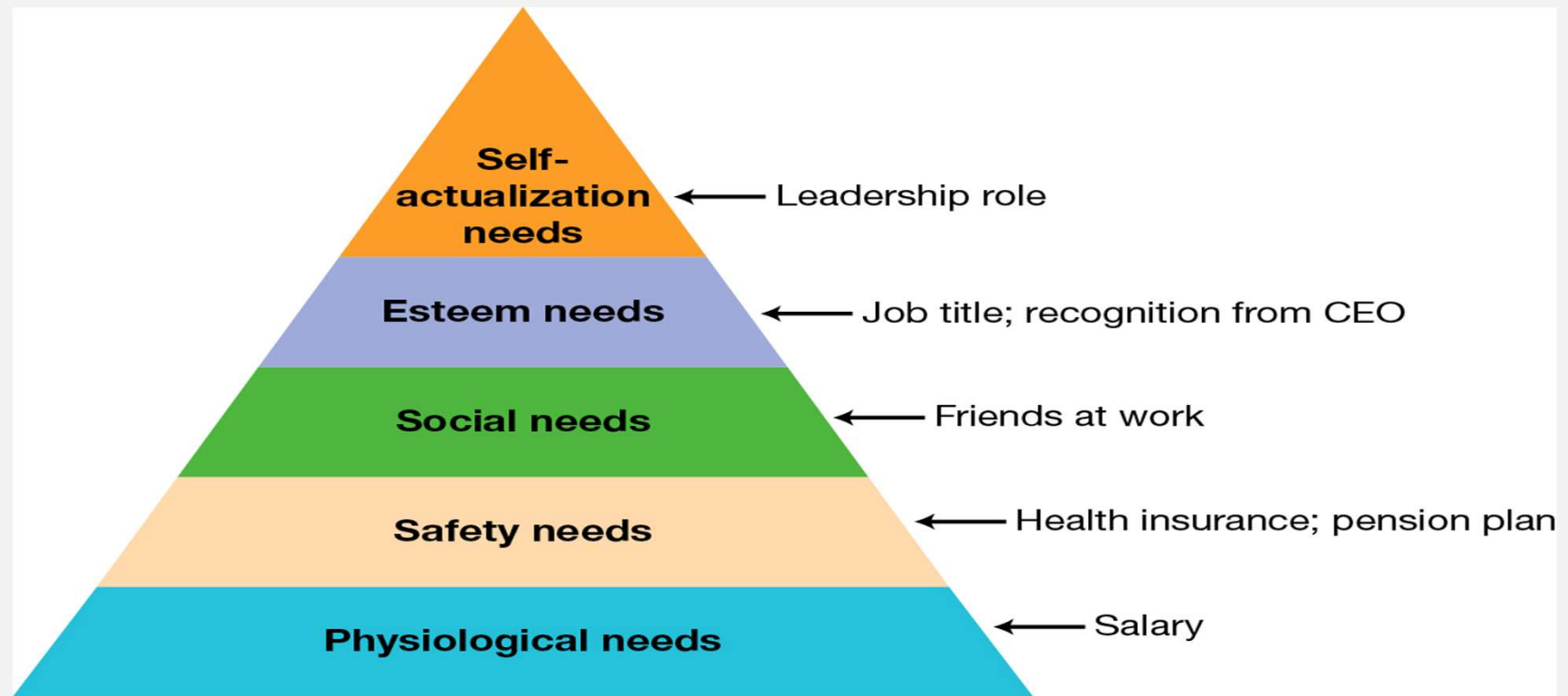


Hawthorne Effect

A supposed effect of organizational research, in which employees change their behavior because they are being studied and given special treatment

Validity of the effect is uncertain, and the Hawthorne studies were richer and more influential than this simple outcome would suggest

Classical Theories of Motivation



Maslow's hierarchy of need

A model in which human needs are arranged in order of their priority, with the most basic needs at the bottom and the more advanced needs toward the top

Classical Theories of Motivation

Theory X

- A managerial assumption that employees are irresponsible, are unambitious, and dislike work and that managers must use force, control, or threats to motivate them

Theory Y

- A managerial assumption that employees enjoy meaningful work, are naturally committed to certain goals, are capable of creativity, and seek out responsibility under the right conditions

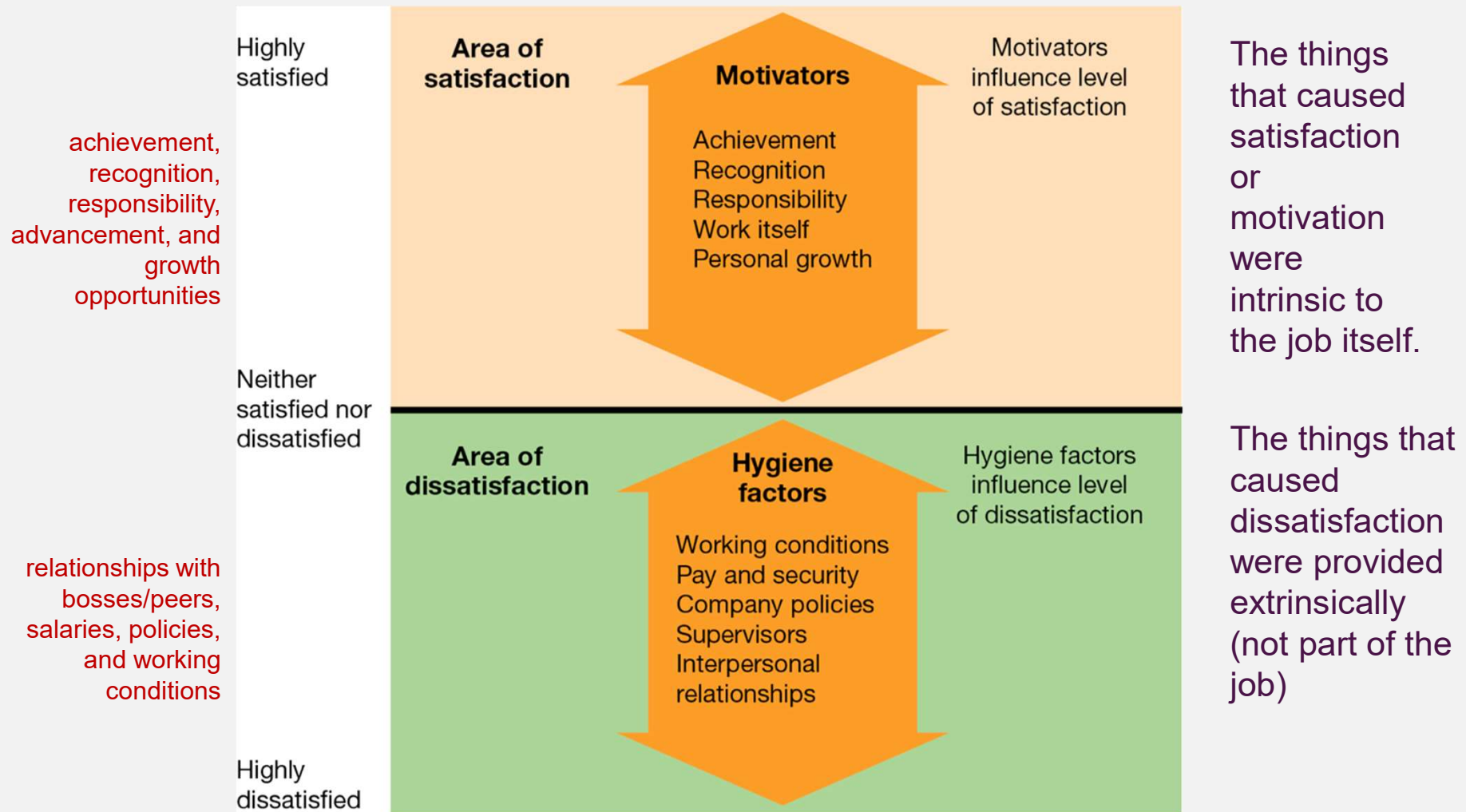
Classical Theories of Motivation

Herzberg's Two-Factor Theory



A model that divides motivational forces into satisfiers (“motivators”) and dissatisfiers (“hygiene factors”)

Classical Theories of Motivation



Classical Theories of Motivation

Three-needs theory



McClelland's model of motivation that highlights the the needs of power, affiliation, and achievement.

Classical Theories of Motivation

How could a manager tap into the drive to defend as a way to help rally employee?

Could Herzberg's hygiene factors explain the significant problem of employee theft and embezzlement?



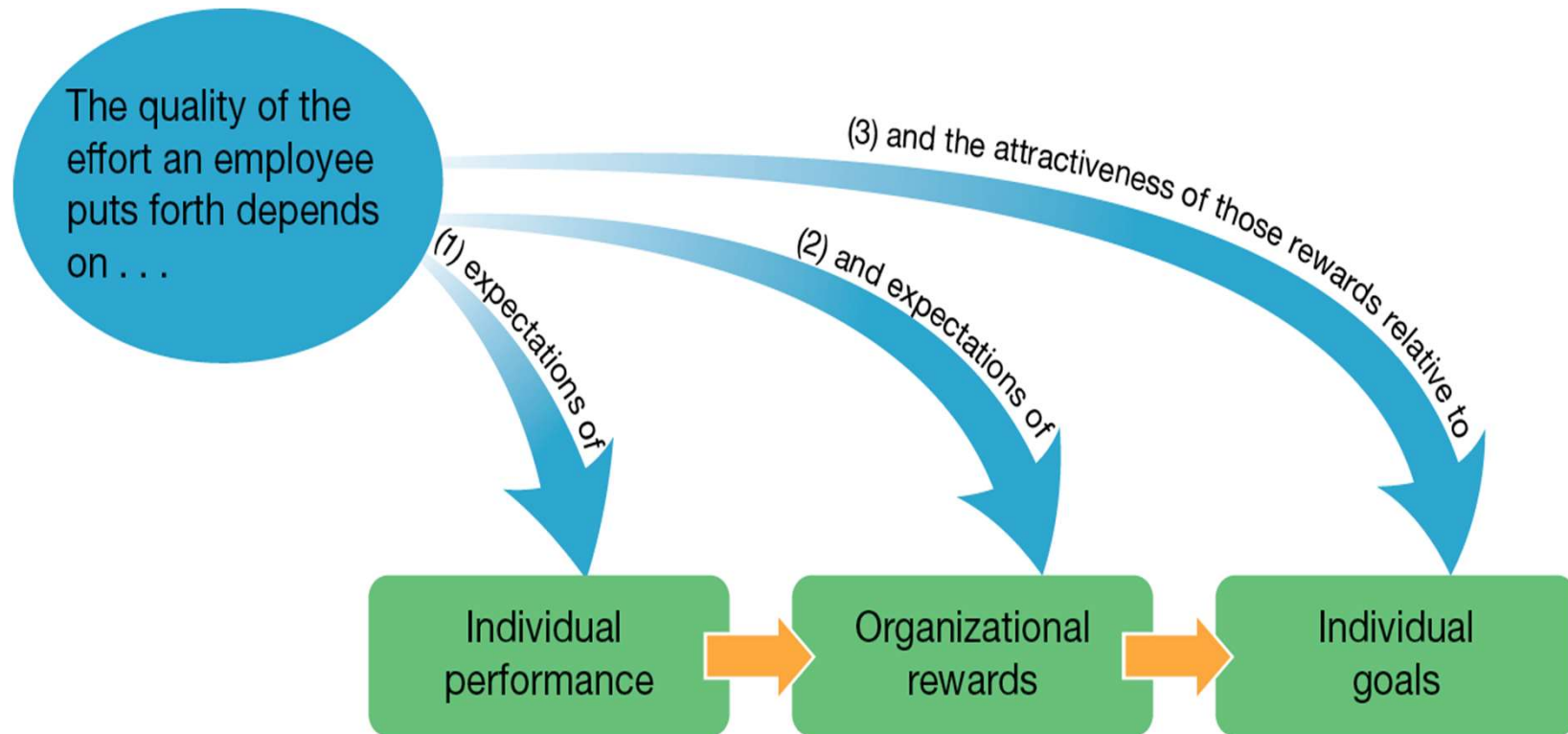
CONTEMPORARY
THEORIES ON
MOTIVATION:
EMPLOYEE
CHOICES



expectancy theory

The idea that the effort employees put into their work depends on expectations about their own ability to perform, expectations about likely rewards, and the attractiveness of those rewards.

Contemporary Theories on Motivation



equity theory

The idea that employees base their level of satisfaction on the ratio of their inputs to the job and the outputs or rewards they receive from it.

Contemporary Theories of Motivation

What steps could managers take to alleviate the self-doubt employees feel when they join a company or move into a new position?

If you were a human resource manager in a large corporation, how might you respond to employees who complain that the CEO



MOTIVATING BY CHALLENGING GOALS



goal-setting theory

A motivational theory suggesting that setting goals can be an effective way to motivate employees



specific enough to give employees clarity and focus.

difficult enough to inspire energetic and committed effort.

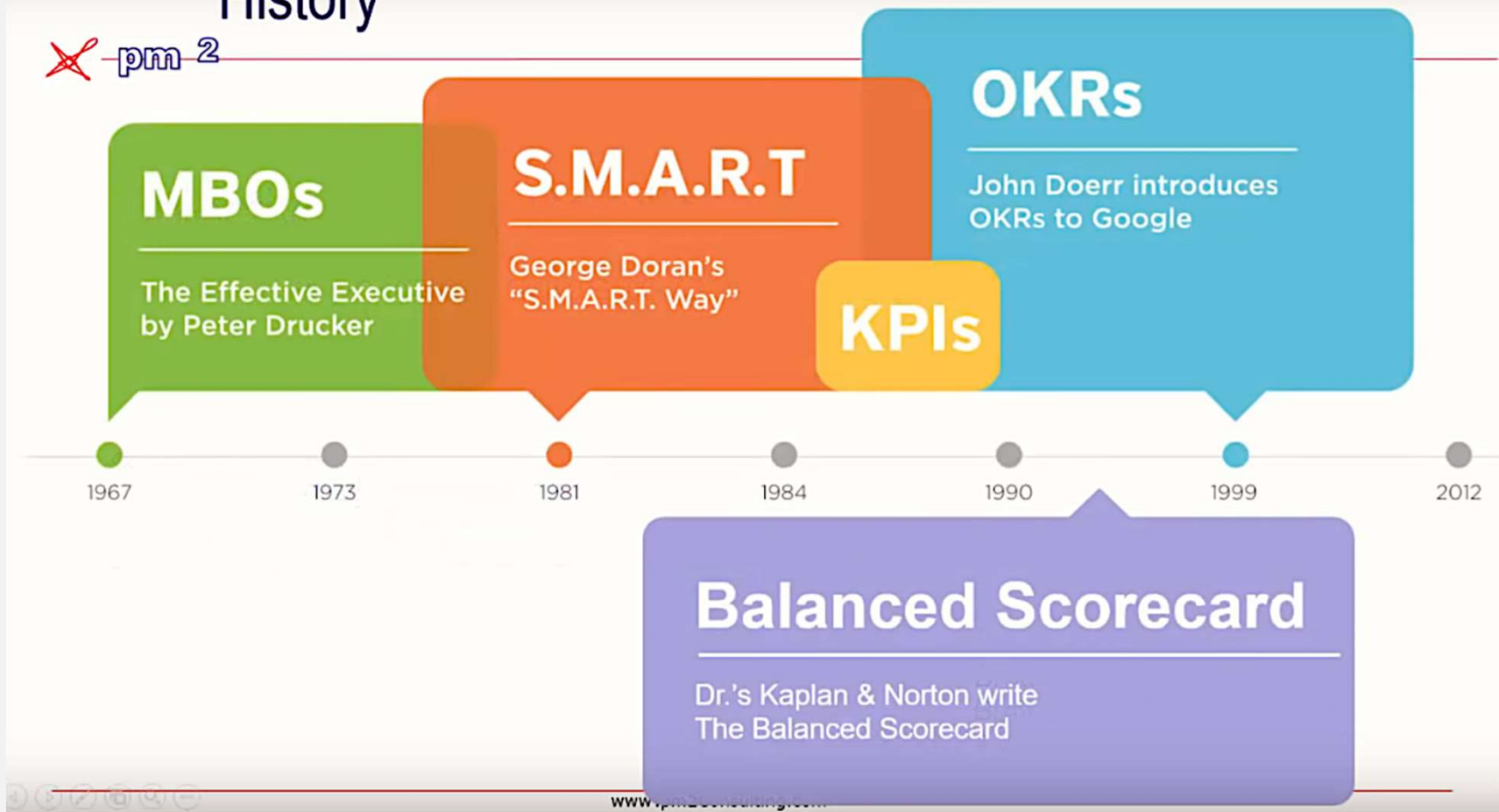
clear “ownership” of goals so that accountability can be established.

Individuals’ should have belief in their ability to meet their goals.



History

~~pm~~ 2



management by objectives

A motivational approach in which managers and employees work together to structure personal goals and objectives for every individual, department, and project to mesh with the organization's goals.

MBO Steps

1. Setting goals

Top managers work with middle managers, then middle managers work with first-line managers to develop goals for their respective work groups. At the same time, managers and employees at all levels collaborate with their supervisors to set individual goals for performance.



2. Planning action

Managers determine exactly how their individual and group goals will be accomplished. To ensure that goals are reached on time, a schedule is prepared for the action plan.



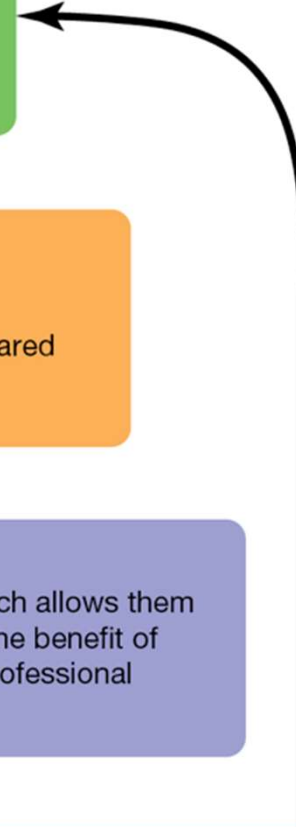
3. Implementing plans

Managers and employees implement their plans in their own way, which allows them to control their own performance. Their expertise gets channeled for the benefit of the organization, and they have more opportunities to develop their professional skills.



4. Reviewing performance

Managers periodically review the performance of the people they supervise and evaluate how well the plans are achieving group and individual goals. Obstacles and strategies for overcoming them are identified. Old goals may be modified or new goals established. Achievement is recognized and rewarded.



Examples of Good OKR

Increase our recurring revenue

- The share of monthly subscriptions increased to 85%
- Average subscription size of at least \$295 per month
- Reduce churn to less than 1% monthly

Improve internal employee engagement

- Average weekly satisfaction score of at least 4.8 points
- Conduct weekly Fun Fridays all-hands meetings with an external speaker
- Implement OKR's in all teams and departments by January 31st

Classical Theories of Motivation

What are Objectives and Key Results?

 pm 2



Risks and Limits of Goal-Setting Theory

- Overly narrow goals
- Overly challenging goals
- Inappropriate time horizons
- Unintentional performance limitations
- Missed learning opportunities
- Unhealthy internal competition
- Decreased intrinsic motivation

Goal-Setting Theory Critical Thinking

Why is collaboration between employee and manager essential to goal setting in management by objectives?

How can overly narrow goals and overly challenging goals contribute to ethical lapses?



REDESIGNING JOBS TO STIMULATE PERFORMANCE



jobs characteristics model

A model suggesting that five core job dimensions influence three psychological states that determine motivation, performance, and other outcomes.

Jobs Characteristics Model

Core Job Characteristics

Skill variety
Task identity
Task significance

Autonomy

Feedback

Critical Psychological States

Meaningfulness of work

Responsibility for the results

Knowledge of actual results

Outcomes

High internal work motivation

High growth satisfaction

High general job satisfaction

High work effectiveness

Approaches to Modifying Core Job Dimensions

job enrichment

Making jobs more challenging and interesting by expanding the range of skills required.

cross-training

Training workers to perform multiple jobs and rotating them through these various jobs to combat boredom or burnout.

Job Characteristics Model

Can job characteristics model be used to motivate employees in such positions as janitors or security guards in a factory?



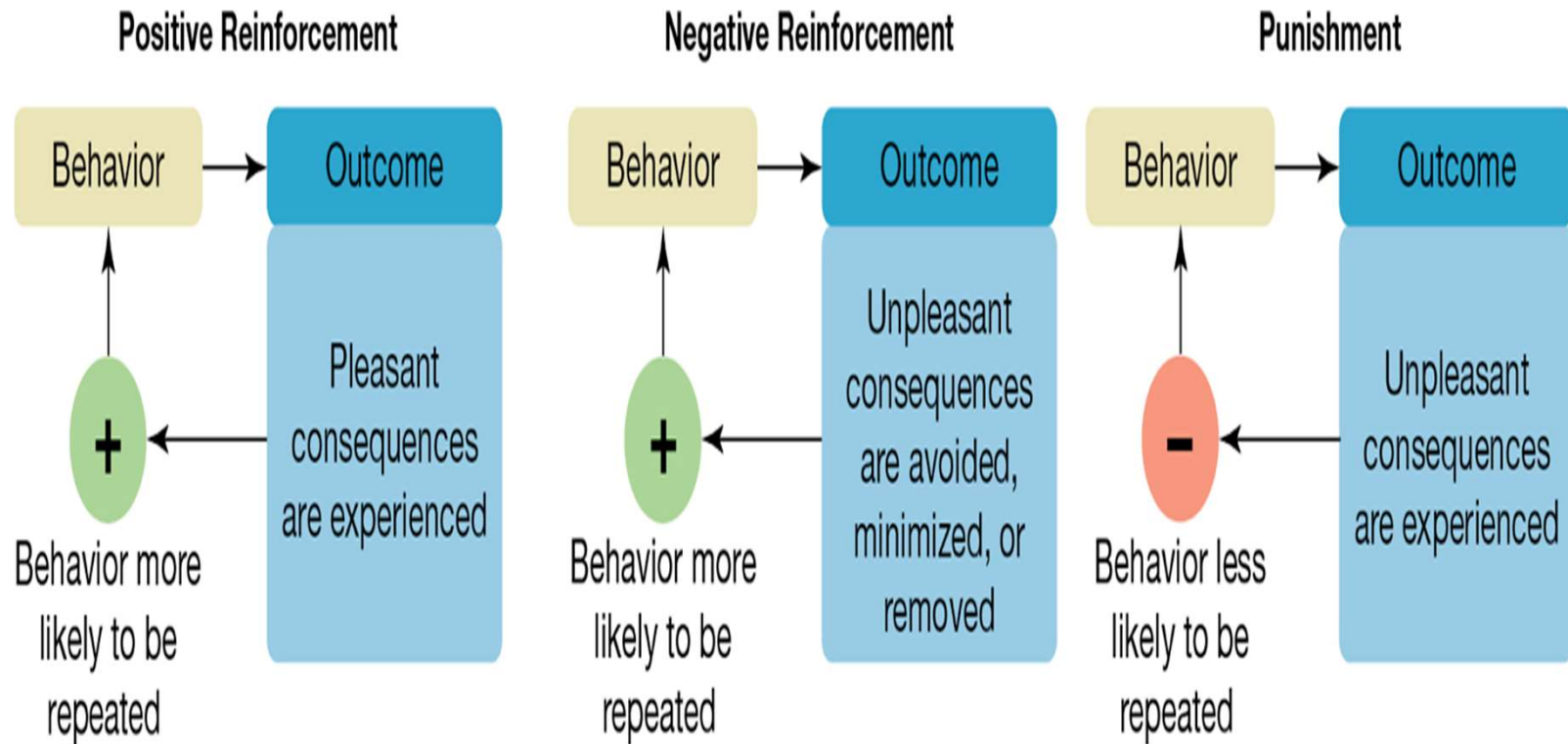
REINFORCING HIGH- PERFORMANCE BEHAVIOR



reinforcement theory

A motivational approach based on the idea that managers can motivate employees by influencing their behaviors with positive and negative reinforcement

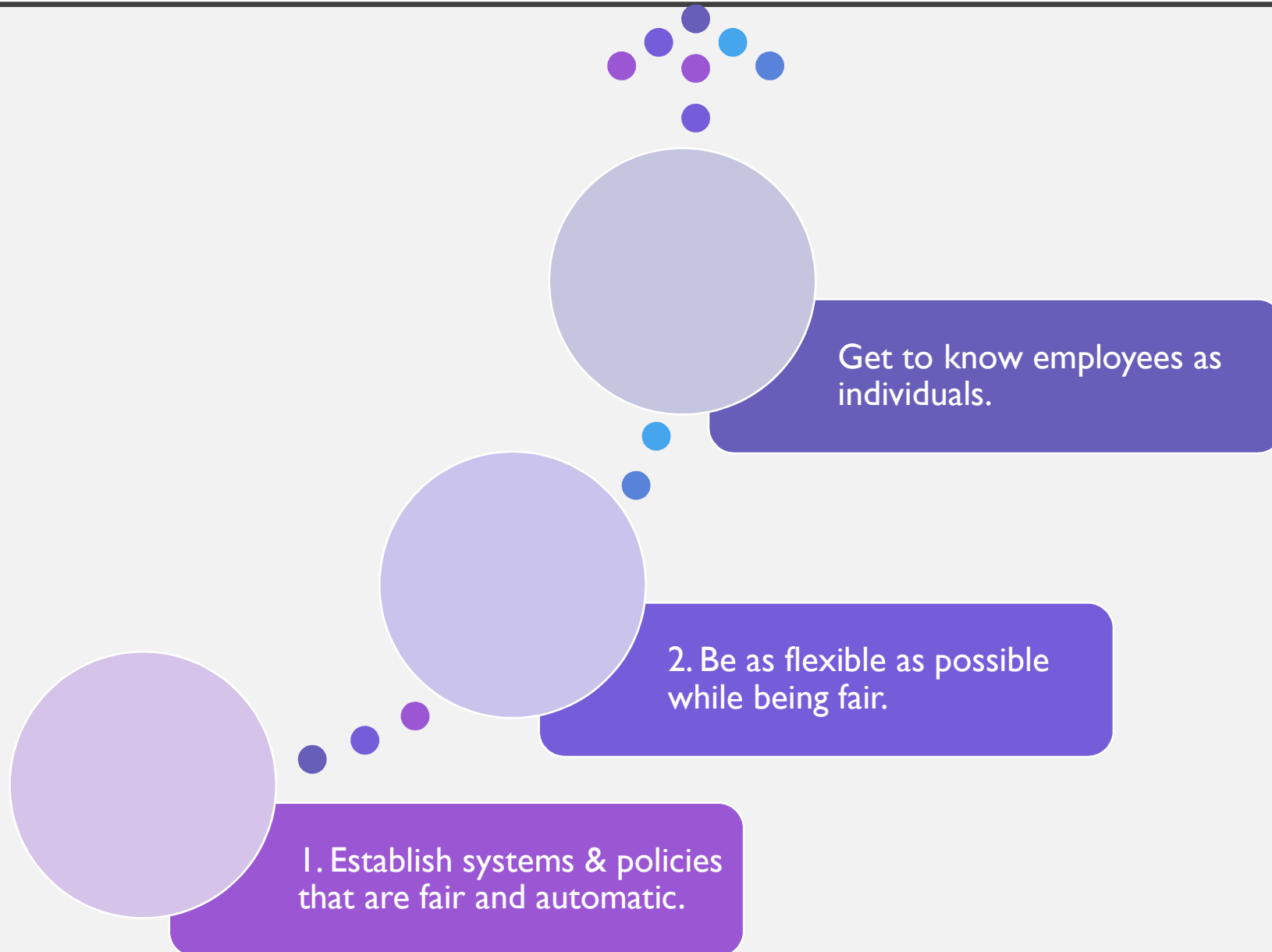
Classical Theories of Motivation



Motivational Strategies

- Providing **timely** and **frequent** feedback
- Personalizing motivational efforts
- **Adapting** to circumstances and special needs
- Tackling workplace problems before they have a chance to **destroy morale**
- Being inspirational leaders

Personalizing Motivation



HUMAN RESOURCES MANAGEMENT

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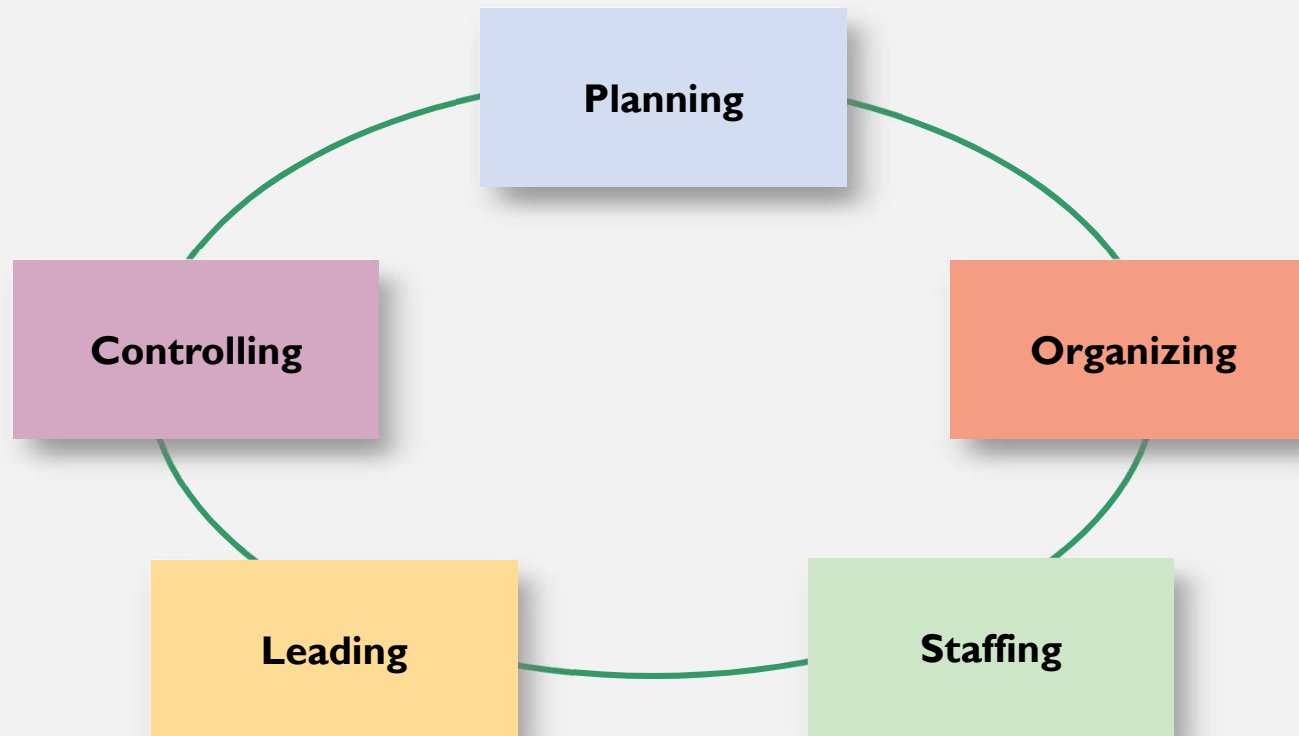
Differences between...

Management

VS

Human Resource Management

THE MANAGEMENT PROCESS



All managers get things done through the efforts of others!!

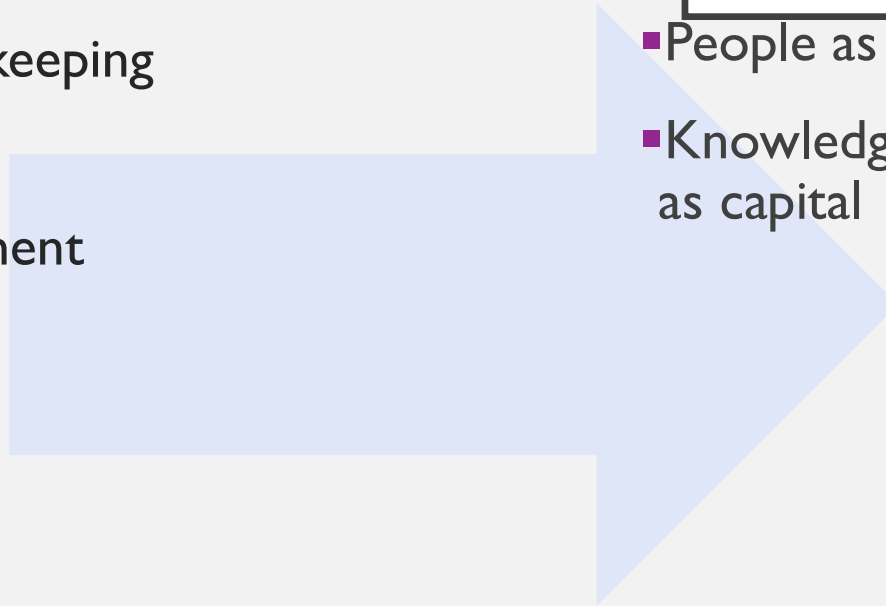
HRM

Traditional view

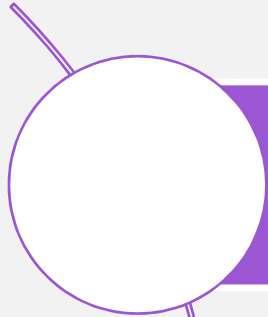
- Record keeping
- Payroll
- Employment

Strategic view

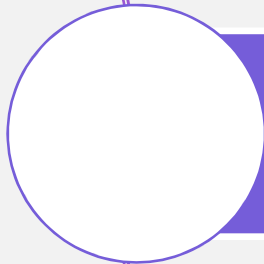
- People as critical resource
- Knowledge & experience as capital



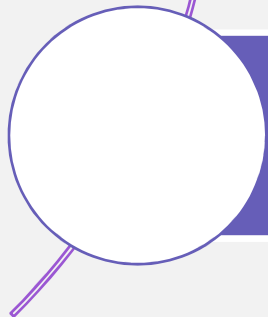
Evolution of HRM



From personnel department to strategic partner



From centralized and staff function to decentralized and line function



Forces for change: Move to service economy, competition, government regulation, technological revolution

Definitions of HRM

The policies and practices involved in carrying out the “people” or human resource aspects of a management position, including recruiting, screening, training, rewarding, and appraising.

Gary Dessler

Utilization of individuals to achieve organizational objectives

R. Wayne Mondy

human resource management

The specialized function of planning how to obtain employees, observe their training, evaluate them, and compensate them.

So who should concern for HRM?



Contemporary Staffing Challenges

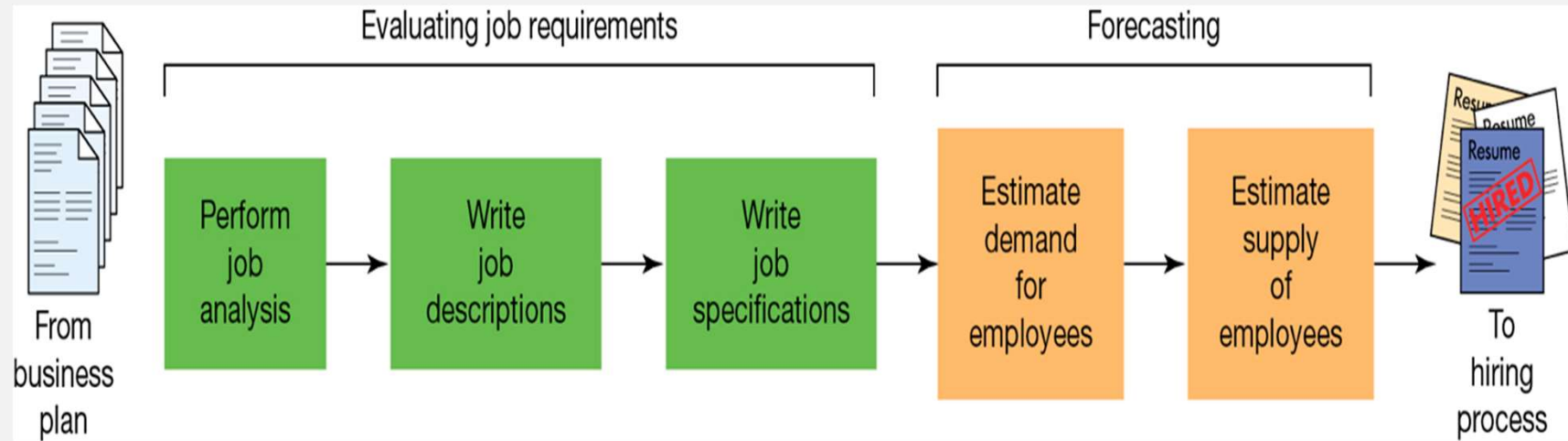
Aligning the workforce.

Fostering employee loyalty.

Monitoring workloads and avoiding employee burnout.

Managing work-life balance.

Steps in HR Planning



Did you know?

- The top business concern among executives was....

Finding skilled staff

A study conducted by Robert Half Management Resources, surveying 1,400 CFOs

I. Staffing

Process of ensuring the organization always has

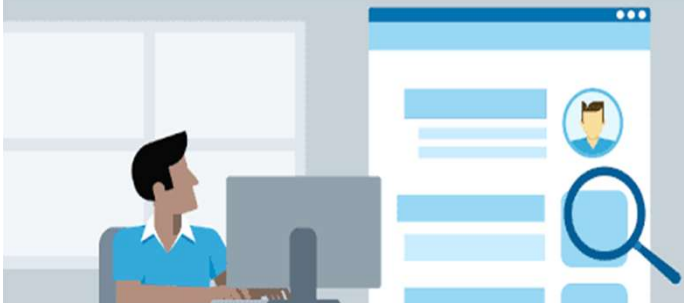
- Required number of employees
- Employees with appropriate skills
- Employees in the right jobs at the right time
- Constant job analysis, human resource planning, recruitment, and selection

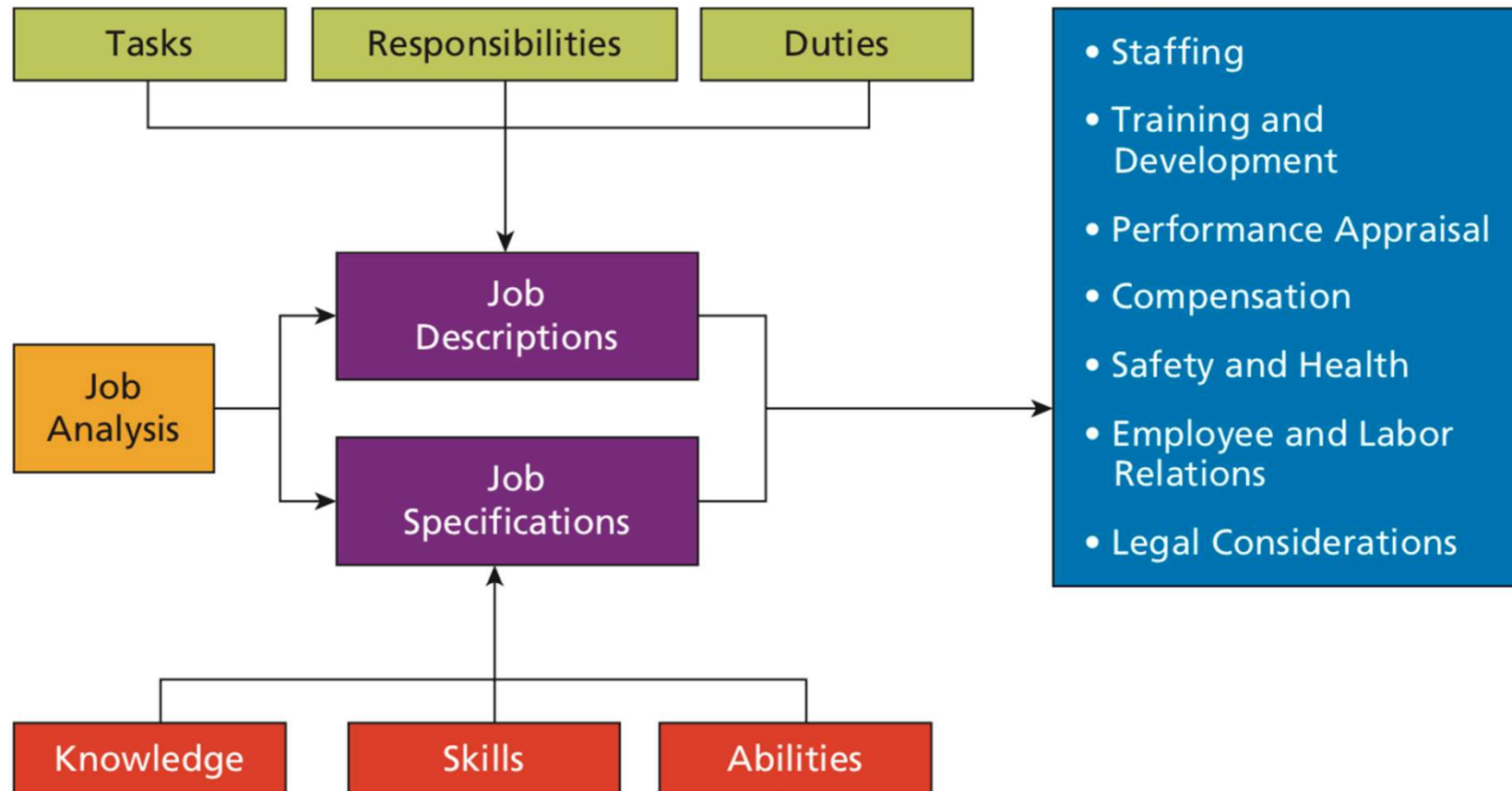
Job Analysis

Systematic process of determining skills, duties, and knowledge required for performing jobs in an organization

Impacts virtually every aspect of HRM (planning, recruitment, and selection)

- Job description
- Job specification





1.2 Human Resource Planning

- Matching internal and external supply of people with anticipated job openings over a specified period of time
- Sets the stage for recruitment and other HR functions

Turn-over
rate

succession
planning

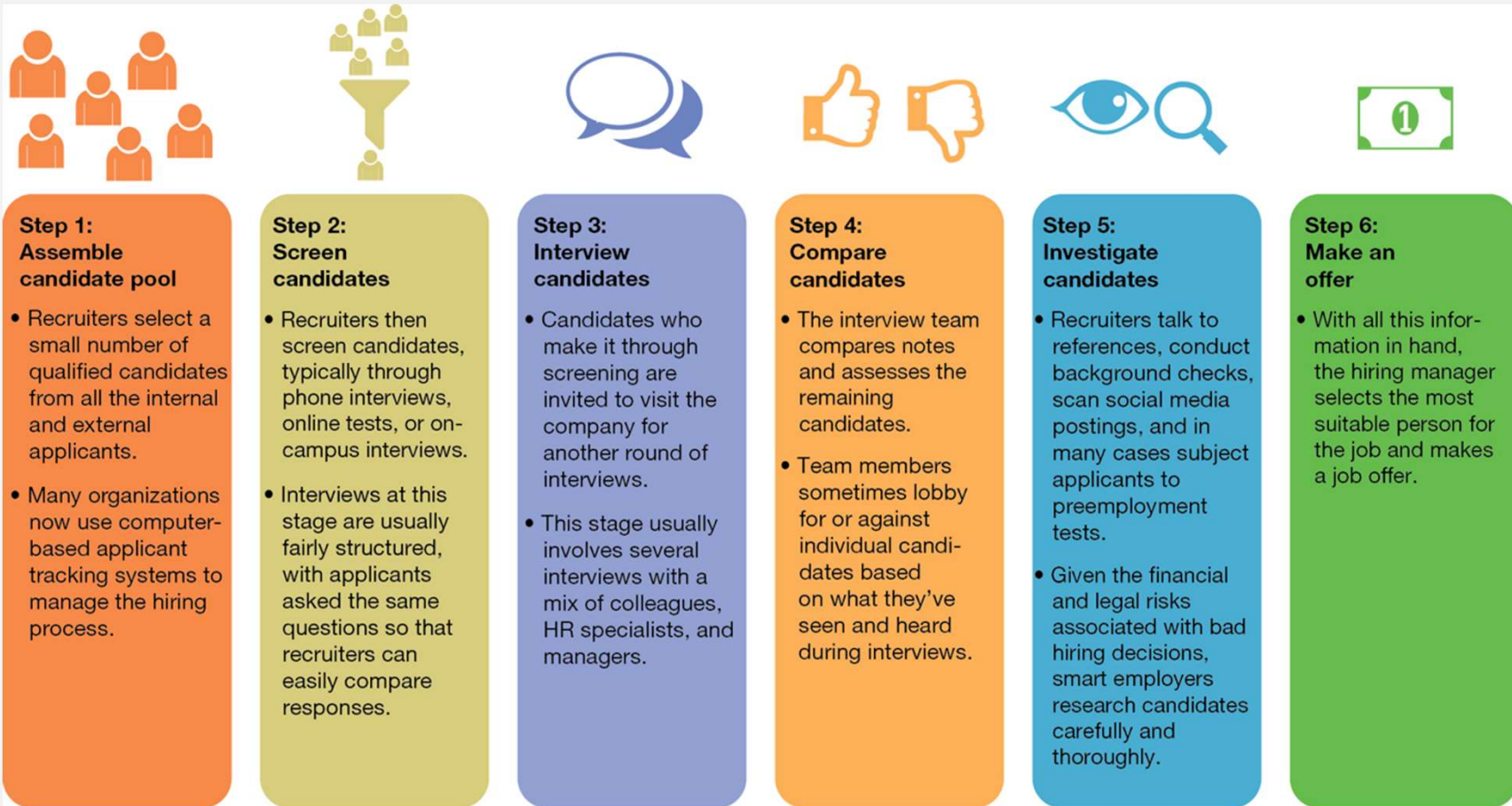
employee
retention

contingent
employees

1.3 Recruitment and Selection

- Recruitment: Attracting individuals to apply for jobs
 - Must be timely
 - Applicants need appropriate qualifications
 - Need sufficient number of applicants
- Selection: Choosing individual best suited for a particular position and the organization

The Recruiting Process



**We don't hire Turks,
Greeks, Poles, Indians,
Ethiopians, Vietnamese,
Chinese or Peruvians.**

Nor Swedes, South Koreans or Norwegians. We hire individuals. We don't care what your surname is. Because ambition and determination have nothing to do with your nationality. McDonald's is one of the most integrated companies in Sweden, with as many as ninety-five nationalities working for us. Join us at mcdonalds.se



Alternative Work Arrangements

Flextime

Telecommuting

Job Sharing

2. Human Resource Development

Training

Development

Career
planning

Career
development

Organizational
development

Performance
management

Performance
appraisal

Evaluating Employees

- **Performance appraisals**
 - Periodic evaluations of employees' work according to specific criteria
- **Electronic performance monitoring (EPM)**
 - Real-time, computer-based evaluation of employee performance

EVALUATING EMPLOYEES (CONT.)

- **360-degree review**

↳ A multidimensional review in which a person is given feedback from subordinates, peers, superiors, and possibly outside stakeholders such as customers and business partners

TRAINING AND DEVELOPING EMPLOYEES

- **Orientation programs**
 - ↳ Sessions or procedures for acclimating new employees to the organization
- **Skills inventory**
 - ↳ A list of the skills a company needs from its workforce, along with the specific skills that the individual employees currently possess

Did you know?

- Today's employees will work for approximately _____ companies during their careers.

9

According to the Bureau of Labor Statistics

Managing a Diverse Workforce

- **Diversity**

- ↳ All the characteristics and experiences that define each of us as individuals
- ↳ Includes race, age, military experience, parental status, marital status, and thinking style

Managing a Diverse Workforce (cont.)

- **Sexism**
 - Discrimination on the basis of gender
- **Glass ceiling**
 - An invisible barrier that can be attributed to subtle discrimination keeping women and minorities out of the top positions in business

Managing a Diverse Workforce (cont.)

- **Sexual harassment**
 - Unwelcome sexual advances, request for sexual favors, or other verbal or physical conduct of a sexual nature within the workplace

Glass Cliff Effect



Choosing women for leadership positions that are risky, precarious, or when the outcome is more likely to result in failure

more women appointed to the board after their companies perform poorly

Experiments showed people choosing women when the organization is in a risky position

Consequences of Token Women in High Places



Consequences of Token Women in High Places



Consequences of Token Women in High Places

The success of the very few high-status women is taken as evidence that gender no longer matters.



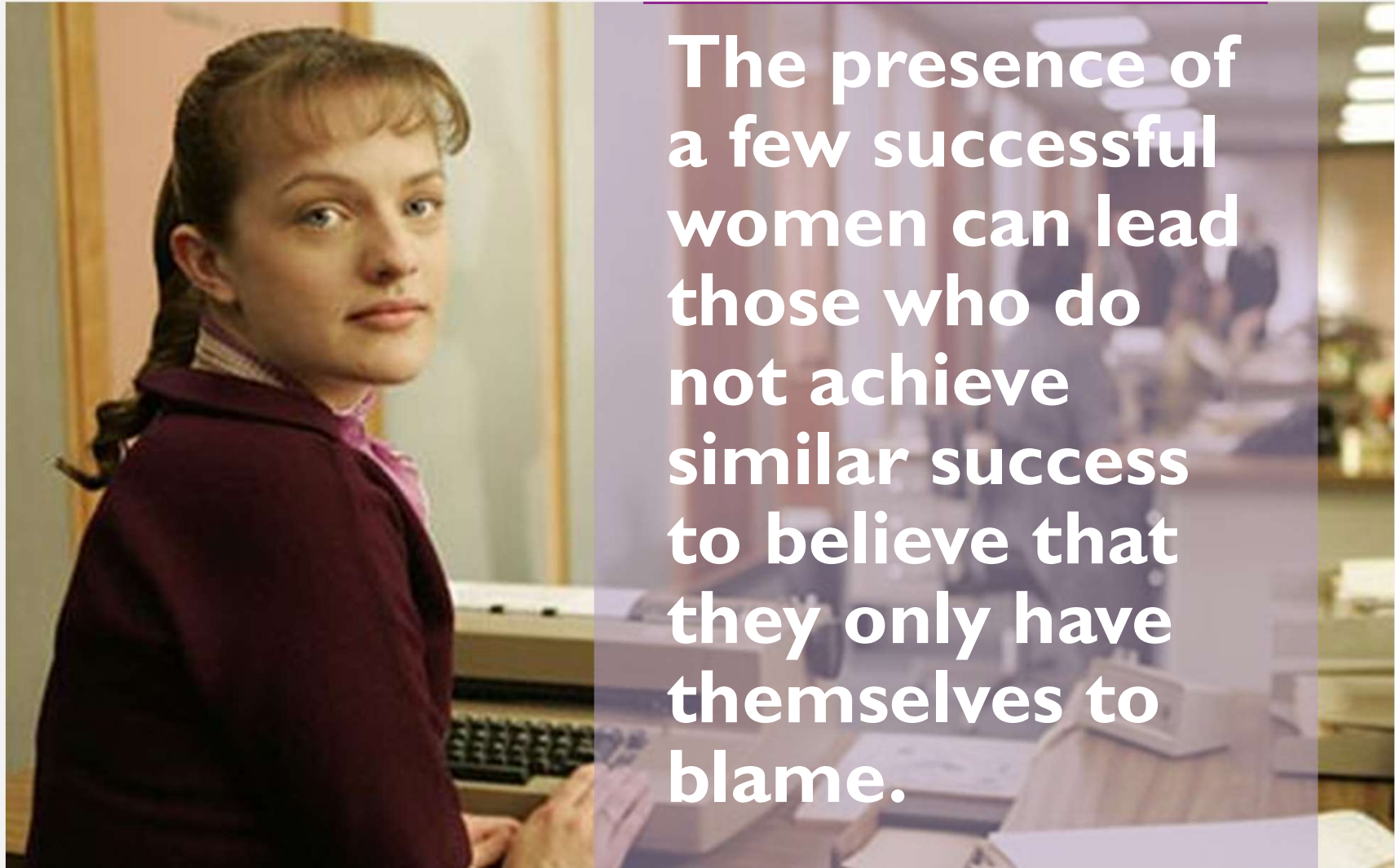
People may infer that the relative absence of women in high places is due to their lacking the necessary qualities or motivation to succeed.



The success of a few women may obscure the structural nature of the disadvantages that women on the whole still face.



Consequences of Token Women in High Places



The presence of a few successful women can lead those who do not achieve similar success to believe that they only have themselves to blame.

Managing a Diverse Workforce (cont.)

- **Diversity initiatives**
 - Programs and policies that help companies support diverse workforces and markets

3. Compensation

All rewards that individuals receive as a result of their employment

- Direct financial compensation
- Indirect financial compensation (benefits)
- Nonfinancial compensation

Incentive Programs

- **Bonus**
 - A cash payment, in addition to regular wage or salary, that serves as a reward for achievement
- **Commissions**
 - Employee compensation based on a percentage of sales made

Incentive Programs (cont.)

- **Profit sharing**

- The distribution of a portion of the company's profits to employees

- **Gain sharing**

- ↳ Tying rewards to profits or cost savings achieved by meeting specific goals

Incentive Programs (cont.)

- **Pay for performance**
 - An incentive program that rewards employees for meeting specific, individual goals
- **Knowledge-based pay**
 - Pay tied to an employee's acquisition of knowledge or skills
 - Also called *competency-based pay* or *skill-based pay*

Employee Benefits and Services

- **Employee benefits**
 - Compensation other than wages, salaries, and incentive programs
- **Cafeteria plans**
 - Flexible benefit programs that let employees personalize their benefits packages

Retirement Benefits

- **Retirement plans**
 - Company-sponsored programs for providing retirees with income
- **401(k) plan**
 - ↳ A defined-contribution retirement plan in which employers often match the amount employees invest

Retirement Benefits (cont.)

- **Employee stock-ownership plan (ESOP)**

↳ A program that enables employees to become partial owners of a company

Stock Options

- **Stock options**
 - A contract that allows the holder to purchase or sell a certain number of shares of a particular stock at a given price by a certain date

Other Employee Benefits

Paid vacations and sick leave

Family and medical leave

Child-care assistance

Elder-care assistance

Tuition loans and reimbursements

Employee assistance programs

4. Safety and Health

- **Safety:** protecting employees from injuries caused by work-related accidents
- **Health:** Employees' freedom from illness and their general physical and mental well-being



5. Employee and Labor Relations

Businesses are required by law to recognize a union and bargain with it in good faith if firm's employees want a union to represent them

Human Resource Specialties



The Changing role of HR

Can some HR tasks be performed more efficiently by line managers or outside vendors?

Can some HR tasks be centralized or eliminated?

Can technology perform tasks that were previously done by HR personnel?

Who performs HRM tasks?

- Human resource managers
- HR outsourcing
- HR shared service centers (SSCs)
- Professional employer organization (PEO) or employee leasing
- Line managers

HRM in action

- **Corporate Culture**
 - System of shared values, beliefs, and habits within an organization that interacts with the formal structure to produce behavioral norms
- **Employer Branding**
 - Firm's corporate image or culture created to attract and retain the type of employees the firm is seeking
 - Companies want a brand that will entice individuals to join and remain with the firm