

Motivation Theory

Labour is by far the most complex resource employed by firms. Capital is predictable, land is fixed, but labour is difficult to manage, difficult to understand and difficult to motivate. Apart from being difficult to manage, understand and motivate, the factor of production Labour, for UK firms, is the resource that adds the greatest value to raw materials, components, and services in the production process.

It has been calculated that 70% of the difference in value of inputs and outputs for British firms comes from the skills, efforts and experience of labour. Labour must then be used effectively, as it is the most important resource that can be used by entrepreneurs.

Motivation theory examines the different ideas that have evolved or been proposed over the last century, each of which propose different methods and techniques of getting the most out of the factor of production Labour.

The ideas and theories of motivation we examine are;

- **FW Taylor The Science of Work**
- **Elton Mayo and the Hawthorne experiments.**
- **Maslow's Hierarchy of Needs**
- **Herzberg; the two factor theory**
- **McGregor—Theory X and Theory Y**

It is important to remember not to dismiss any theory of motivation, they are all applied in one form or another in businesses today. Ensure that you know and can apply the key points of each theory, and be able to discuss the relevance of each. It is also important that you apply methods of making the theories work in practice, and understand why it is sometimes difficult or unnecessary to partly or fully apply the more complex of these theories

Scientific Management -FW Taylor The Science of Work

Taylor who worked in the late nineteenth century, developed the idea of work, or time and motion, study. His investigations into how jobs were performed allowed him to break tasks down into their basic components and he was then able to design jobs

so completing the tasks involved was as simple as possible.

In Taylor's view, workers can produce more output if responsibility for decision-making and planning are removed. Workers should not have to think, they should just do. His observations also indicated that a consistent approach by workers was the best way of achieving this. He argued that in each work place the methods used by the most efficient workers should be applied by all workers, workers should be trained to work to the model provided by those who produce most output. Scientific Management takes what is called a 'task centered' approach to managing workers.

Scientific Management in Practice.

Taylor's ideas of Scientific Management based motivation on financial rewards. When applied to the workplace, there are several features that distinguish Scientific Management. These are:

- Workers are paid for the work that they do, they were not paid for thinking
- They were paid for acting, this implies the use of piece rate payments, the thinking was to be done by the immediate superiors, the supervisors.
- A strict hierarchy within organisations, with little room for innovation.
- The best method of working is to be adopted by all workers

It may seem that these ideas have little place in industry today, but the fact is that some of the major manufacturers in existence grew through the adoption of these ideas and many existing firms rely upon this structure of motivation and management to stay competitive.

To quote from Taylor

**"what the workmen want from employers
beyond anything else is higher wages, what**

employers want from workmen most of all is low labour costs in manufacture".

Taylor thought of scientific management as the best way of achieving this. We now of course realise that low cost labour manufacturing may not be the key to international success. Quality of output married to skilled labour and high capital investment is the key.

There is though still a role for scientific management. When competitiveness in labour intensive industries depends upon costs being kept to a minimum, then you will find the ideas of Taylor still being used today. Consider fast food chains, with their 100 page manuals on how to prepare a burger, with little or no responsibility placed upon the worker apart from maintaining a level of output, and when the product is exactly the same the world over, then you will see Taylor's ideas still being used. There is Scientific Management being practised on every high street in the country.

Elton Mayo and the Hawthorne experiments.

Mayo's work is not a progression of Taylor's science of work, but a step in quite a different direction. Mayo and his team worked in the late 1920's and early 1930's at General Electric Company's Hawthorne works. In a work place investigative study they were trying to develop Taylor's scientific principles, but through their work they discovered the fact that group dynamics could be more important than any form of financial motivation, in determining the pattern of work and working practices.

Mayo.... through his work .. discovered the fact that group dynamics could be more important than any form of financial motivation

This research showed that the way groups of people are treated and the way that they expect to be treated, effected the way that they worked.

The Experiments

To demonstrate this we can look at two aspects of Mayo's work. Within the factory a group of women worked assembling electric

components. He took a section of these women to work in a room on their own. Within this separate environment the women were involved in management decision-making, such as time of breaks, type of heating and lighting, and methods of working. What was discovered was that, as people were involved in decision-making, the quality of the work improved. This applied whether decisions improved their working environments, or took from their working environment in a small way.

The second part of experiment involved a similar procedure with the group of male workers, but the responses gained were quite different. The male workers were found to react badly to involvement in decision-making, they felt threatened in their positions and used peer pressure to ensure that previous working methods were maintained. The dynamics of this group were very different to the first group.

Mayo's Findings

It is wrong to deduce from this that female workers react well to management involvement, but male workers do not to react well to involvement by management. Instead it is better say that employers must be aware of group dynamics within organisations. That is they must acknowledge that within their business unofficial and official groups (often Trade Unions), will exist, bound together by loyalty, background, or roles, and each group must be appealed to, that is motivated in slightly, or even radically different ways.

From Mayo's work the Human Relations School of motivation and management developed. The followers of this school of management thought see workers and managers as interacting groups, and that as long as the form of interaction is tailored to the dynamics of each group, then this interactive relationship can only be of benefit to the business.

Managers must adjust their approach to suit the needs of each group of workers. A broad brush approach to

as people were involved in decision-making, the quality of the work improved. This applied whether decisions improved their working environments, or took from their working environment

motivation will not be effective, there are likely to be as many failures as successes. There is a recognition by the Human Relations School that employees have needs over and above those of financial needs. And if these needs are at least partially satisfied workers would become able to contribute to the more efficient operation of the business organisation.

Human Relations School Today

One of the great failings of British industry in the Sixties and Seventies was the inability to apply the Human Relations School of management. Managers were frightened to appeal to subgroups within organisations and allowed the strongest peer group to dictate industrial relations and working practices. Small groups, such as left wing radical trades union members or shop stewards, were allowed to dictate relationships between managers and workers. In the more traditional industries, such as steel, ship building and mining, no attempts were made to deal directly with unofficial groups, such as the rank and file workers, in a way that would appeal to them and help overcome industrial difficulties caused by radical Trade Unionism.

Group dynamics today have a very important part to play in the workplace. Managers have discovered that small groups with effective leaders are a way of transforming working practices within organisations. Working as a team allows the breaking down of traditional hierarchies and allows each worker to feel part of a small organisation, motivated to achieve within their own section of the business. Managers

who wish to fully gain from the benefits promised by the Human Relations School, must develop an adaptive approach. This means that they must learn to treat different groups of workers in different ways. They must apply approaches, motivational methods, and communication systems suited to the need of each group within the organisation. They can no longer use a 'broad brush' and expect 'one size to fit all'.

Maslow's Hierarchy of Needs

All humans have needs. The basic needs are regarded as warmth, food, clothing and shelter. These basic needs used to be what we needed to survive and for many thousands of years it was all that most humans could hope to obtain. But the modern working man or woman is very different. Maslow, an American psychologist, who worked in the middle part of the 20th century, argued that we all have a hierarchy of needs. And we all wish to attain to the highest level of this hierarchy. But before we can reach this highest level the lower levels of needs must be securely in place.

The Hierarchy

There are 5 levels to Maslow's hierarchy. These are;

- First level is physiological or basic needs
- Second level, security or safety needs
- Third level, social or interactive needs
- Fourth level, status or self-esteem needs
- Fifth level, self realisation of self fulfilment needs

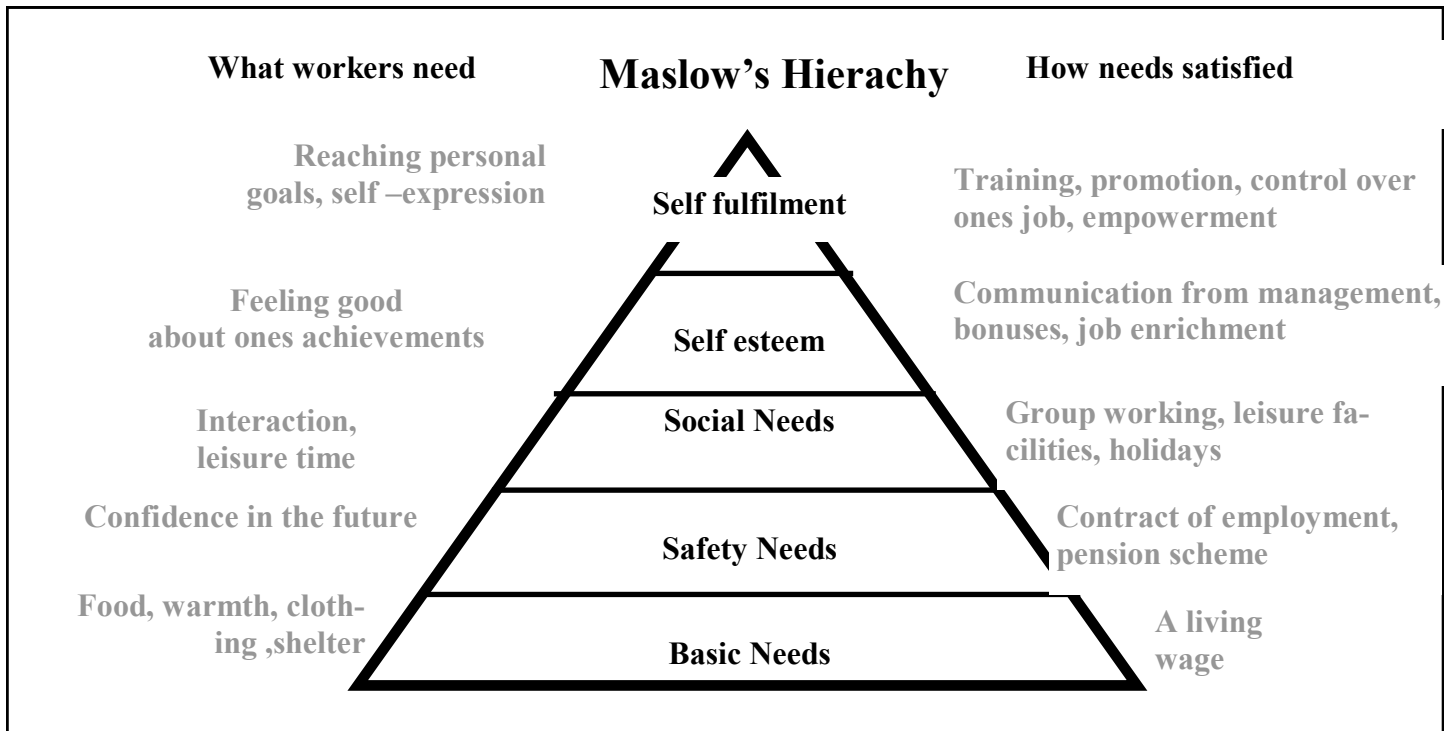
Satisfying the needs

When applied to the workplace managers must examine how they can satisfy the needs of employees, and how high up the hierarchy the satisfaction needs to progress to get the most out of their employees.

To satisfy basic needs which are food warmth clothing and shelter, workers must have an income, so a reasonable level of pay is a requirement to satisfy these needs.

The next level, security, means that workers must be able to predict their future with some certainty. To allow the employees to do this, managers should offer contracts of work, some form of sickness benefits and pension schemes, also piece rate schemes should be replaced with wages or a salary.

The next level, social needs can be satisfied by designing jobs so that they involve interactive work, so again we come back to group working. There should be an opportunity for social interaction in the workplace, such as meeting places or provision of a social facility such as a club. Workers also need to be able to spend time with their families, so social



working hours and a decent holiday entitlement are a must.

The fourth level, self-esteem needs, can to an extent be satisfied by communication from managers assuring the workers that they are doing good jobs. There should be the opportunity for workers to be able to train, to improve their prospects and improve the quality of work . They must be able to give some inputs into the decision-making process. One way of achieving this is through Quality Circles. Also job enrichment is an important part of satisfying this need.

Managers must consider whether all workers need to have all levels satisfied. For all employees to have all needs up to an including self fulfilment satisfied would be an expensive business. What managers must be aware of, is the trade-off between extra quality and output that comes with satisfaction of each level of needs, and the cost of satisfying these needs. For example it may be realistic to satisfy only basic and security needs of the mass of a firms workers, and concentrate on satisfying the higher needs of those workers who are core to the future success of the business.

Herzberg; the two factor theory.

Herzberg carried out investigations into what caused satisfaction and dissatisfaction at work. He wanted to focus on the growing pool of white collar workers, and used as his for his research, groups of accountants and engineers. The method of investigation was by interview. The work was carried out in the late 1960's and he was interested applying his findings so that improvements in job design could occur, which if implimented would lead to increased quality and levels of output.

The Two Factors.

Analysis of Herzberg's research shows that satisfaction in work can be caused by a number of factors. These include;

We must consider whether all workers need to have all levels satisfied. The highest level, self fulfilment, means workers achieving what they are capable of doing at their best. The key to this is promotion prospects. Workers should be able to climb to a level within the organisation, that enables them to demonstrate their talents in a job they are most suited to. They should be given as much freedom over their tasks as possible, they should be allowed to do the job in the way that they know best. The ideas of empowerment in the workplace relate to this.

- Recognition by management of employees role in work
- Achievements of goals in work
- Being given responsibility over tasks,
- The opportunity for promotion
- Understanding and recognition by management of the work carried out
- The opportunity to increase ones capabilities and skills

Also the research demonstrated that they were number of factors that caused dissatisfaction. These factors include;

- Poor working conditions
- Unsatisfactory salaries or wages
- Lack of recognition or lack of status in their roles or jobs
- Lack of security in their roles or jobs
- Poor relationship with management, supervisors and work mates

The causes of satisfaction were named Motivators, the causes of dissatisfaction, Hygiene Factors

Application of the two factors

From this research it was deduced that managers must provide the type of the workplace and conditions of work that prevented dissatisfaction. Only when these are provided can motivation can motivation of workers be considered.

Herzberg argued that employees should be communicated with and trained, this will allow a high level of motivation to occur. If we look at the factors that cause motivation, (above), we see that many of these are directly related to communication and training.

Managers should employ workers with the view that they should be trained to perform tasks they were not capable of doing at the time of employment. Jobs should be enriched progressively to allow factors that motivate be satisfied. This idea of job design is crucial to the successful use of Herzberg's ideas. Job design is the key to successful application of the Two Factor Theory. Effective job design will allow workers to achieve goals in a workplace and managers should respond to the achievement of these goals by recognising what has been achieved and communicating this recognition to the workers.

Effective job design means allowing job enrichment, and the opportunity for achievement in tasks. The job must allow decision making to take place, and there must be a structure in place that allows advancement/promotion. Another important aspect of job design is being given the tools to do the job well, and then being trained to use the tools.

This stress on job design does not remove the importance of hygiene factors, these must be in place. Salaries must be competitive, and workers should be paid according to the job you wish them to be able to do, not what they are capable of doing before training. In his own words, 'if you pay peanuts, you get monkeys'. Working conditions must be good, employees must have security in their roles.

There is balance between the two factors, motivation will not take place unless Hygiene Factors are in place, and absence of Hygiene factors will cause demotivation. But remember Hygiene factors are not enough on their own.

Criticisms of the Two Factor Theory

There are two major criticisms of this theory. First of all the sample was taken among professional workers and skilled engineers, and therefore the question must arise whether it will apply to semi-skilled or unskilled workers. Secondly Herzberg ignored the effect of team working and motivation that arises from team working.

In regard to the first of these criticisms, the successful application of his theories to many different work situations can demonstrate that this is not problem. Also, although the groups he examined at the time formed a relatively small part of the working population, now 40 years later professionals and white collar workers form a much larger proportion of the working population/ This change in employment structure makes his ideas even more relevant today. But the second criticism still remains, team working is an important part of motivation practice.

It is worth noting that there is an obvious relationship between the lower levels of Maslow and Herzberg's hygiene factors and higher levels of Maslow and Herzberg's Motivators and this relationship should always be remembered.

Note

There is a very interesting video of Herzberg lecturing business managers called 'Jumping for Jelly-beans', which is available on uTube.

McGregor Theory X and Theory Y

McGregor, an American psychologist, built upon earlier studies into the psychology of the workplace. From these studies he constructed a model of management attitudes, and from this model demonstrated that managers, wittingly or unwittingly, strongly dictated the type and attitude of workers in their employ.

The first element he used was the work of Taylor. In the early 1900's the Classical and Scientific (Taylorian) schools of management, suggested that workers were to be given tasks in their simplest forms. Within such Taylorian businesses the role of management was to ensure that the simplest, most efficient, and productive working methods were used. Employees would have nothing to contribute but their labour. It can be argued that the early success of Ford Motors was to a large part due to the implementation of this structure.

The second element he used was the more recently developed Human Relations School. Studies performed by students of the Human Relations School, such as Mayo, found that many employees would produce higher levels of output, and be more aware of quality issues, if they are brought into the decision making that affected their jobs, rather than being just told what to do, and how to do it. There was a recognition by the Human Relations School that employees would have needs over and above those of financial needs. And if these needs were at least partially satisfied workers would become able to contribute to the more efficient operation of the business organisation.

McGregor then put forward the idea that, in the main, it was managers that created the two types of worker, and if this were so, managers had the ability to, over time, change the psychology of their employees.

He called the two types of managers Theory X and Theory Y

Theory X Managers

The first of these management styles, is founded upon the "assumption of the mediocrity of the masses". The Theory X type of manager makes several assumptions about his employees, (none of them good):

- Workers must be supervised, or quality and quantity of output will fall
- Workers only respect the type of boss that tells them what to do, and does so with complete authority.
- Money is the only motivator.
- Workers do not want to be involved in the decision making process
- Workers wish to remain faceless and unknown to management
- Workers have little ambition, they wish to remain 'one of the boys'.

Theory Y Managers

The Theory Y manager of course believes that the reverse is true. He starts with several positive assumptions about his employees:

- Workers cannot be motivated by money alone, they seek more than financial satisfaction from their jobs.
- Workers are ambitious, willing to train, and contribute to improve their chances of promotion.
- Workers will be more efficient if they are left to their own devices. Trust breeds responsibility.
- Workers want to contribute to improving efficiency,. They want to be seen, noticed, rewarded and appreciated when they work well.

The impact of Theory X and Theory Y managers on Businesses.

If managers behave in the ways indicated above, there must be many company wide implications for all hierarchically structured businesses (i.e. all medium to large businesses).

The main areas of impact will be in:

- The use of job enrichment and enlargement.
- Empowerment.

- Delegation and methods of communication
- Hierarchical structure.

To use a quote from McGregor "The theoretical assumptions management hold about controlling its human resources determine the whole character of the enterprise."

Consequences of Theory Y Managers

The above quote indicates that theory Y Managers are likely to create an open structure, with both formal and informal paths of communication, and delegated powers. Workers will be given responsibilities, and a wider range of tasks.

In the case of Theory Y managers, managers are facilitators. It is likely that managers will adopt a Democratic Style - this is based on encouraging participation in decision making. In the case of Theory Y managers the consequences for the firm will be:

- Requirement for training.
- Use of cell working - restructuring of production and service methods
- Setting up of formal communication channels, with both vertical and lateral communication.
- Promotion structures.
- Flexible working practices.

Consequences of Theory X Managers

But on the other hand, if managers are employed who believe that workers have little or no ambition, wish to be left alone, must not be involved in the wider business environment and must be supervised if they are to maintain quality and quantity of work, then a reverse set of consequences arise. In this case these Theory X managers are likely to be Autocratic managers who are objective and task setters, controlling and dictating operations.

The consequences to the firm include:

- Strict control of formal methods of communication.
- Tasks must be designed so they are broken down into their simplest units.

Responsibilities must be clear and

- unambiguous.
- Supervisors must maintain quality.
- High level of dependence on decision making of senior management.

Conclusions

The essence of this theory is that the managers will, over a period of time, dictate how workers behave. So if we have a Theory Y manager positioned in a business where workers have previously behaved within the Theory X pattern, it is quite possible for the existing workers to be transformed from uncooperative, de-motivated, and unconcerned with the success of the business to become contributors, motivated to improve quality, output and ambitious for personal and company success. It also follows from this, that lack of motivation amongst workers and poor quality of output, is a management created problem. It is the role of management to create methods of production and management of Human Resources that will allow these resources to realise their full potential.

It is of course quite possible that some organisations might benefit from the Theory X manager, after all it is sometimes necessary to gain control, especially when previous management have let organisations become unwieldy or uncoordinated. The classic example of an organisation that requires a strong element of the Theory X manager is the Army.

It can therefore be seen that for most businesses especially those wishing to use the latest production and motivational methods, the Theory Y manager is appropriate. But there can be cases where a dose of Theory X is exactly what a business needs.