

## Chapter 20

### Motivation

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 best performance from the workforce. Effective motivation creates the desire and energy to complete tasks involved in a job to the highest possible standard. Motivation creates commitment to the job and the employer.

The following ideas and theories of motivation offer differing (but sometimes overlapping) philosophies for creating a motivated workforce:

Taylor's theory of scientific management

Mayo and the Hawthorne experiments

Maslow's hierarchy of needs

Herzberg's two-factor theory

Vroom, Porter and Lawler's expectancy theories

### Taylor's theory of scientific management – the science of work

Frederick Winslow Taylor, who wrote in the late nineteenth and early twentieth centuries, developed the idea of work study or time and motion study. Taylor's investigations into how jobs were performed allowed him to break tasks down into their basic components. He was then able to design jobs so that completion of the tasks was done in as simple and efficient a manner 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 workplace the methods used by the most efficient workers should be utilised by all workers. Therefore, workers should be trained to work to the model used by those who produce most output. This idea of scientific management takes what is called a 'task-orientated' approach to managing workers. This means that the workers are just thought of as 'machines' for completing tasks.

## 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 characterise scientific management. These are:

- workers are paid for carrying out specific tasks – they are not paid for thinking;
- they are paid for levels of output produced; this involves the use of piece-rate payments;
- there is a tall hierarchy within organisations, with little scope for upward communication;
- the best (most efficient) method of working is to be adopted by all workers;
- close supervision of workers and monitoring of performance exists.

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. The adoption of his methods led to large increases in productivity and was the foundation of the mass-production techniques applied by Henry Ford and many others. We now, of course, realise that low-cost labour manufacturing may not be the only key to success with the much greater emphasis that is now placed on quality. There is, nonetheless, still a role for scientific management. When competitiveness in labour-intensive industries depends on costs being kept to a minimum, then you will find that the ideas of Taylor are 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 on the worker apart from maintaining a level of output. Many global fast-food chains utilise a scientific management approach by producing the same product on high streets all over the world.

## Mayo and the Hawthorne experiments

Elton Mayo and his team worked in the late 1920s and early 1930s at General Electric Company's Hawthorne works. In a workplace investigative study they were trying to develop Taylor's scientific principles. However, through their work they discovered that group dynamics could be more important than any form of financial motivation in determining the pattern of work and working practices. This research also showed that the way groups of people are treated, and the way that they expect to be treated, affected the way that they worked.

The aim of the study was to establish the impact of different conditions of work on employee productivity. Initially, Mayo examined the effect of changes in the factory environment such as lighting and humidity. He then went on to study the effect of changes in employment arrangements such as breaks, hours and managerial leadership. His main conclusion was that the prevailing view of the time, that people went to work purely for money, was flawed. Work meant much more to people than simply earning money. It was first and foremost a group activity in which other people and their behaviour affected how well people worked. Morale and productivity were affected not so much by the conditions in which people worked but by the recognition they received. The rises in productivity were achieved under the interested eye of the observers; not because the conditions made the workers feel good but because the workers felt valued.

As a result of the experiments Mayo suggested that motivation at work was promoted by such factors as:

- greater communication;
- better teamwork;
- showing an interest in others;
- involving others in decision-making;
- ensuring the wellbeing of others;
- making work interesting and non-repetitive.

From Mayo's work the **Human Relations School** of motivation and management developed. The followers of this school of management regard workers and managers as interacting groups. 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. Communication is now seen as important – explaining the importance of workers' roles and listening to their views.

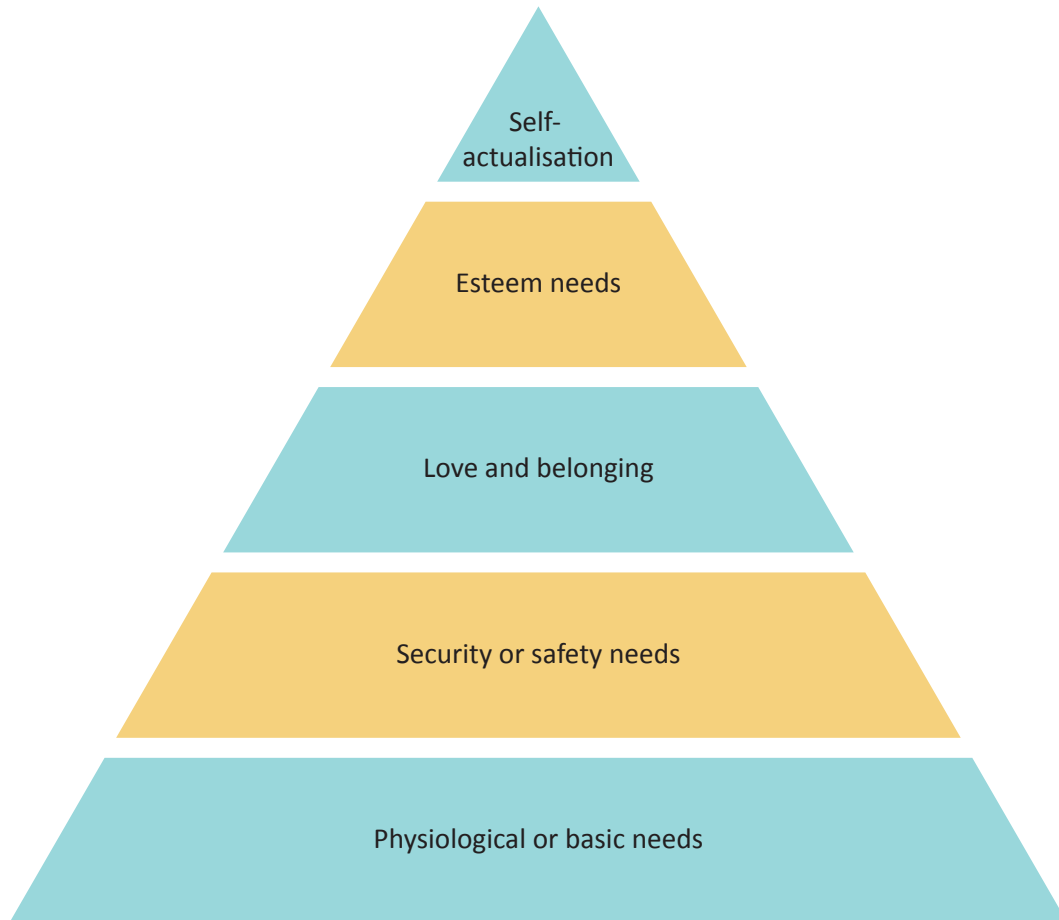
### The Human Relations School today

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 work group, 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 needs of each group within their organisation.

## 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. The modern working man and woman are very different. Abraham Maslow, an American psychologist who worked in the middle part of the twentieth century, argued that we all have a hierarchy of needs. He proposed that we all wish to attain the highest level of this hierarchy. However, before we can reach this highest level the lower levels of needs must be securely in place.

### Maslow's hierarchy



## Satisfying the needs



When this hierarchy is applied to the workplace managers must examine how they can satisfy the needs of employees.

To satisfy the basic needs of 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 degree of certainty. To allow employees to do this, managers should offer contracts of work, some form of sickness benefits and pension schemes.

The next level, love and belonging, can be satisfied by designing jobs so that they involve interactive work – this is group working again. 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, 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 their work. They must be able to give some input into the decision-making process. One way of achieving this is through participation in quality circles. Also job enrichment is an important part of satisfying this need.

At the highest level, self-actualisation, workers achieve what they are capable of doing. The key to this is promotion. 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.

Managers must consider whether all workers need to have all levels satisfied. It would be an expensive business to satisfy all the needs of all employees, up to and including self-actualisation. 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 for the mass of a business's workers, and concentrate on satisfying the higher needs of those workers who are core to the future success of the business.

## Herzberg's two-factor theory

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

### The two factors

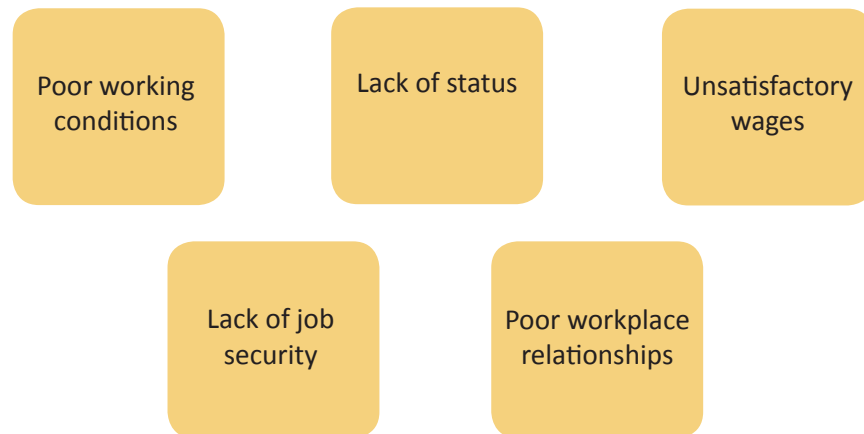
Analysis of Herzberg's research shows that satisfaction in work can be caused by a number of motivating factors, or 'motivators'.

#### Herzberg's motivators



Also the research demonstrated that there were a number of factors that caused dissatisfaction. This was caused by a number of 'hygiene factors'.

## Herzberg's hygiene factors



### Application of the two factors

Herzberg said that managers must firstly provide the type of workplace and conditions of work that prevented dissatisfaction, i.e. make sure that hygiene factors are satisfied. Only when these are provided can motivation of workers happen. The basic tools to provide motivation are effective communication and training. If we look at the factors that cause motivation, 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 to be achieved. This idea of job design is crucial to the successful use of Herzberg's ideas. Effective, flexible and challenging job design will allow workers to achieve goals in the workplace. 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.

There are two major criticisms of this theory. Firstly, 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 effects of teamwork and the impact that it may have on motivation.

It is worth noting that there is an obvious relationship between the lower levels of Maslow's hierarchy and Herzberg's hygiene factors and between the higher levels of Maslow's hierarchy and Herzberg's motivators.

## Vroom, Porter and Lawler's expectancy theories

**Victor Vroom** was born in Canada in 1932. Having gained a PhD at the University of Michigan, he became a business school professor at the Yale School of Management. His most well-known books are *Work and Motivation*, *Leadership and Decision Making* and *The New Leadership*.

Vroom assumed that people acted in their own best interests according to their beliefs about the outcomes of their own behaviour. Generally, he believed that people opted to maximise their happiness and minimise their unhappiness.

Vroom's expectancy theory actually has three components to it: valence, instrumentality and expectancy (VIE), all of which relate to an individual person's beliefs rather than to any objective reality.

1. Valence (V): according to Vroom an individual will undertake a task if they believe that they will receive a worthwhile reward as a result. Vroom called this 'valence'. The key thing is that the person expects the reward and that the reward is valued by them. The reward does not have to be monetary. People undertaking charitable work do not usually expect a financial reward. However, they do expect to receive other people's thanks and appreciation, which for them is sufficient reward. For others money is the main motivator. It depends on the individual.

Valence can be either positive or negative. If the expected outcome is favourable it is positively valent for an individual. If the outcome is not to their liking, and something they would rather avoid, it is negatively valent.

2. Instrumentality (I): by instrumentality Vroom meant that an individual needs to believe that a particular action is likely to lead to a particular result. In a work context this means that the individual will be motivated to work hard to achieve a particular target if he or she believes that it will lead to a positively valent result. For example, if the individual believes that their hard work will lead to promotion then they will be motivated to work hard. However, if they feel that, however hard they work, they will not achieve promotion, they will not be motivated to work hard. From an employer's point of view it is important that the employee understands that there is a clear link between effort and reward.

3. Expectancy (E): the third important aspect of motivation was the individual's belief in the likelihood of their being able to achieve the target that has been set for them. If the target was to run 100 metres in under ten seconds, there are very few individuals who would think it worth the effort as there would be little prospect in their achieving it. There may be other reasons why someone would want to run 100 metres but if the sole reason was to achieve a specific reward, then only Usain Bolt and a few others like him would see any point in trying. In a work context it does not make sense for an employer to set targets that employees believe are unachievable, even if the reward is something that the employee considers to be positively valent. It may be that in the future, with training and encouragement, the employee might feel more confident about their ability to achieve the required outcome.

Vroom believed that an individual's motivation was a combination of these three forces V, I and E. For an individual to be motivated they needed to believe that firstly, they could achieve a particular outcome (expectancy), and secondly, that by achieving the outcome (instrumentality) it would result in a positive valency (and not too many negative valencies).

Another example of this might be the student who thinks that getting a good job is important (positively valent) and that working hard to pass their exams will help them to get a good job (instrumentality) and that they also believe that with hard work they are capable of achieving good grades (expectancy).

**Porter and Lawler** also propose that an individual's motivation is affected by the reward they expect to receive for completing the task. The individual's view of the attractiveness of the possible reward will determine their level of motivation. In addition though, they categorised the reward as intrinsic and extrinsic.

Intrinsic rewards include the positive feelings that the individual experiences from completing the task – e.g. pride, satisfaction. In order to give a job more intrinsic rewards they emphasised the importance of job content. Employers needed to make sure that employees were given tasks that they found interesting and rewarding. The process involves management in job redesign and job enlargement. Job enlargement can be both horizontal, giving the worker more tasks to do, and vertical, giving the worker more control over the job. In Porter and Lawler's opinion vertical job enlargement is the more important of the two. This idea is closely related to the idea of flattening organisations and empowering workers.

Extrinsic rewards are rewards that come from outside the individual, for example material rewards such as pay increases and bonuses. Porter and Lawler realised the importance of consistency and fairness or equity



when giving extrinsic rewards. The employee needs to feel that the reward is proportional to their effort, otherwise the result will be to demotivate them. The employee also needs to be aware of a direct link between the goals that they achieve and the reward that they will receive. At the same time the employer must ensure that the worker is given the training and equipment that they need in order to achieve the goals that they have been set.



Motivation theories  
<http://bit.ly/1PEEA2a>

## Financial and non-financial motivation

When we examine methods of motivation that can actually be applied in the workplace, we normally subdivide them into financial and non-financial methods.

**Financial methods directly involve monetary rewards e.g. bonuses, pay increases, improved pensions etc.**

**Non-financial methods, though perhaps indirectly bringing monetary rewards, are targeted at providing psychological benefits for workers.**

It must be remembered that both financial and non-financial methods have costs to the employer: either through direct costs such as extra pay, or indirectly through the provision of training or management time.

## Financial methods of motivation

### Piece rates

The most basic method of payment is a piece rate. When a piece rate is paid workers are paid for each item they produce or for each task completed. This does have advantages in that workers will work as fast as they can to maximise their income and payment is only made when work is completed. However, there are disadvantages for both employer and employee. For the employer there must be a great deal of supervision and checking of quality as workers are motivated to achieve speed of output, not quality of output. From the employees point of view there is no guarantee of income and production may be halted by matters beyond the workers' control.

### Wages

Wages are paid hourly, for example £8 an hour, and the vast majority of unskilled workers in the UK are still paid wages. There is some security in being paid a wage and those who earn wages will probably be able to work overtime to increase incomes. Lower levels of Maslow's hierarchy are quite often satisfied by a decent wage, but what does matter is the level of the wage. A minimum wage of £6.70 an hour (1 October 2015) cannot truthfully be regarded as an income likely to provide a decent standard of living. Some people argue that employers should pay a living wage of £7.85 an hour ([www.livingwage.org.uk](http://www.livingwage.org.uk)).

For many big businesses there is one large group of manual or production workers who are paid hourly and a group of administrative and marketing workers who are paid a salary. This difference in methods of payment can cause resentment and prevent the breakdown of barriers within businesses. A 'them and us' attitude can

be reinforced by the artificially created separation of waged and salaried employees, when in fact the only difference may be that one group wear suits to work and the other does not.

## Salaries

Salaries are paid at an annual rate, for example £25 000 per year. Salaried incomes are paid monthly, directly into a bank account. Salaries make good financial sense for businesses because they are paid monthly in arrears which means that workers will have to wait up to a month to receive income for work performed. This leads to an improved cash flow and bank balance for the business. Also it is simpler and safer to pay money by bank transfer rather than in cash. Salaried workers are not normally paid overtime but may receive other financial benefits. This non-payment of overtime does not mean that they do not work more than their contracted hours – they often do, but it does mean that employers may not be liable to pay for this extra work.

## Profit-related pay

Profit-related pay links part of an employee's income to the profits of a company. Those who receive profit-related pay will have a lower salary than they might otherwise expect but will benefit overall by receiving a share of company profits.

When profit-related pay schemes were first encouraged during the 1980s it was hoped that they would catch on with all types of worker. However, in the main, they are only applied to senior management; although some businesses, such as Asda and the John Lewis Partnership, have schemes which allow all employees to share in company profits. The major problem in encouraging workers to take part in the schemes is that income is uncertain. Workers may believe that they have little influence on the profitability of the business, so they do not see why their income should fluctuate as profits fluctuate.

## Bonus schemes

There are a wide variety of bonus schemes available, each designed to be suitable for different employees doing different jobs.

These schemes include the following:

- Sales bonus – this is normally paid if a sales target has been reached. For sales people this may make up a significant part of their salary.
- Performance bonus – this can be paid to an individual or on a group or factory-wide basis. It is often paid for reaching targets of output and quality. This method of payment is an important part of Human Resource management.
- Christmas bonus – often called the 13th month salary – paid for loyalty to the business. In some countries (for example, Germany) virtually all companies will pay a Christmas bonus.



**Pay – key terms**

<http://bit.ly/1NjRIYJ>

## Fringe benefits

Other forms of financial motivation include company cars, pension schemes, sickness benefits, subsidised meals and travel, and staff discounts. These are often grouped together under the heading of fringe benefits or perks (perquisites). Some of these fringe benefits can be regarded as essential in encouraging the right applicants for certain types of vacancies. For example, a company car is a necessity for anyone working in sales in the financial service business. Senior management in many companies would expect both an upmarket car and private health care.



**Non-monetary incentives**

<http://bit.ly/1S3MFSu>

## Non-financial methods of motivation

The use of non-financial methods of motivation demonstrates attempts by employers to apply the ideas behind the theories of the likes of Mayo, Maslow and Herzberg. Examination of these theories has shown us that motivation to achieve quality of output is best achieved through satisfaction of higher needs (Maslow), awareness of the role of groups in the workplace (Mayo) and the need to provide motivators (Herzberg). The non-financial methods of motivation outlined below can be linked to one of more of these theories.

**Job enrichment** – This means giving workers more control over the tasks that they complete, and allowing workers to complete tasks that have a meaning and are complete in themselves. For example, a worker who has a job fitting a circuit board to a TV may have his job enriched by testing the board and being able to make adjustments so that the required level of quality is achieved. The ability to do this range of tasks means that the worker becomes more committed to achieving quality. Effective job enrichment depends on workers having interesting tasks to complete. Job design is a key part of Herzberg's ideas.

**Job enlargement** – Increasing the number of tasks completed by a worker. For example, a secretary previously employed to answer calls might now have duties which include filing, letter-writing etc. This adds interest to the job and involves the employee in a more complete role within the business.

**Job rotation** – Changing workers' tasks which are completed at regular intervals. This can be as simple as switching places on a production line. The variety adds interest to the job and reduces the number of errors that can arise through boredom.

**Job design** – Jobs should include complete tasks that are of interest to the worker and challenging, which allow decision-making.

**Communication** – Communication is a key part of motivation and can take place in a number of ways, e.g. quality circles, works councils, cell working.

**Empowerment** – This means giving workers the power to control their own jobs, make decisions and implement their own ideas. It is often used in an artificial way; for example, allowing counter workers in burger bars to decide the greeting they use when they meet customers.

**Quality circles** – These are groups of workers that meet on a regular basis to discuss problems in the manufacturing or service-provision process and offer solutions. They may involve groups of workers from the

same department or come from a variety of disciplines. For example, they may include designers, buyers and production workers. It is important that for quality circles to have value the members have the ability and the authority to implement changes suggested.

**Training** – The provision of a formal training scheme is important. As Herzberg stated, without training, workers will not be able to fulfil their potential. Training can be on-the-job, learning by doing; or off-the-job, such as studying for NVQs at a local college. On-the-job training has costs such as management or supervisor time spent training. Off-the-job training means lost production and disruption. Also the newly-qualified workers may seek to use their qualifications to seek better employment elsewhere.

**Flexible working** – Allowing workers to have elements of their schedule which are under their control. For example, the opportunity to work from home or have core hours and flexitime options around these.

## The single status workplace

When all artificial barriers separating workers have been removed, then the single status workplace can be said to exist. For example, all employees wear the same basic clothes, use the same dining facilities, and have access to the same pension schemes and leisure facilities. This is strongly linked to the higher levels of Maslow.

## Problems with implementing non-financial methods of motivation

**Existence of Theory X managers** – These managers will see no value in using expensive methods of motivation when workers have no commitment to the business or quality of the product.

**Cost** – All these methods are expensive in terms of management time, systems implementation and training. To effectively use these methods there is a high level of cost. Managers must balance cost against increased output and quality.

**External factors** – Once workers are used to having their jobs enriched, enlarged etc., it may be difficult to remotivate them when financial circumstances, caused by recession or competitors' actions, force cost-cutting on a business. Unavoidable redundancies can have a negative effect on those workers that remain as they may feel less secure in their jobs.

**The structure of the workforce** – If a large part of the workforce is not core to producing the added value of the business, there is probably no need to apply many of the methods given above. In the retail, hospitality and tourist industries many workers stay for only a short period of time, so motivating these workers would be very difficult.

## Benefits of effective motivation

These may be summarised as follows:

- increased productivity;
- increased quality;
- lower levels of staff turnover;
- improved communication;
- higher levels of innovation;
- greater worker satisfaction;
- lower levels of industrial action;
- improved customer service;
- better reputation – easier to attract quality staff.

### Discussion themes

Frederick Herzberg – Jumping for the Jellybeans lecture  
[www.youtube.com/watch?v=o87s-2YtG4Y](http://www.youtube.com/watch?v=o87s-2YtG4Y)

Microsoft and motivation  
[www.youtube.com/watch?v=oKyV-l8i5lg](http://www.youtube.com/watch?v=oKyV-l8i5lg)

What are the benefits of a motivated workforce?

How do the Human Relations School of motivation believe individuals are motivated?

Explain how Maslow's ideas of motivation can be applied to the workplace.

'Scientific management is not relevant to modern motivational methods.' Do you agree with this statement?

How do expectancy theories differ from the other motivational theories?

'Financial methods of motivation are more likely to motivate workers than non-financial methods.' Discuss this statement.

Evaluate the impact to a business of having a poorly-motivated workforce.