



ISTANBUL UNIVERSITY

ORGANIZATIONAL BEHAVIOR AND LEADERSHIP

MOTIVATION

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MOTIVATION

Motivation refers to forces within an individual that account for the level, direction, and persistence of effort expended at work.

Direction refers to an individual's choice when presented with a number of possible alternatives (e.g., whether to pursue quality, quantity, or both in one's work). *Level* refers to the amount of effort a person puts forth (e.g., to put forth a lot or very little). *Persistence* refers to the length of time a person sticks with a given action (e.g., to keep trying or to give up when something proves difficult to attain).

Types of Motivation Theories

There are many available theories of motivation, and they can be divided into two broad categories: content theories and process theories.

Content theories of motivation focus primarily on individual needs—that is, physiological or psychological deficiencies that we feel a compulsion to reduce or eliminate. The content theories try to explain work behaviors based on pathways to need satisfaction and the influence of blocked needs. This part discusses *Maslow's hierarchy of needs theory*, *Alderfer's ERG theory*, *McClelland's acquired needs theory*, and *Herzberg's two-factor theory*.

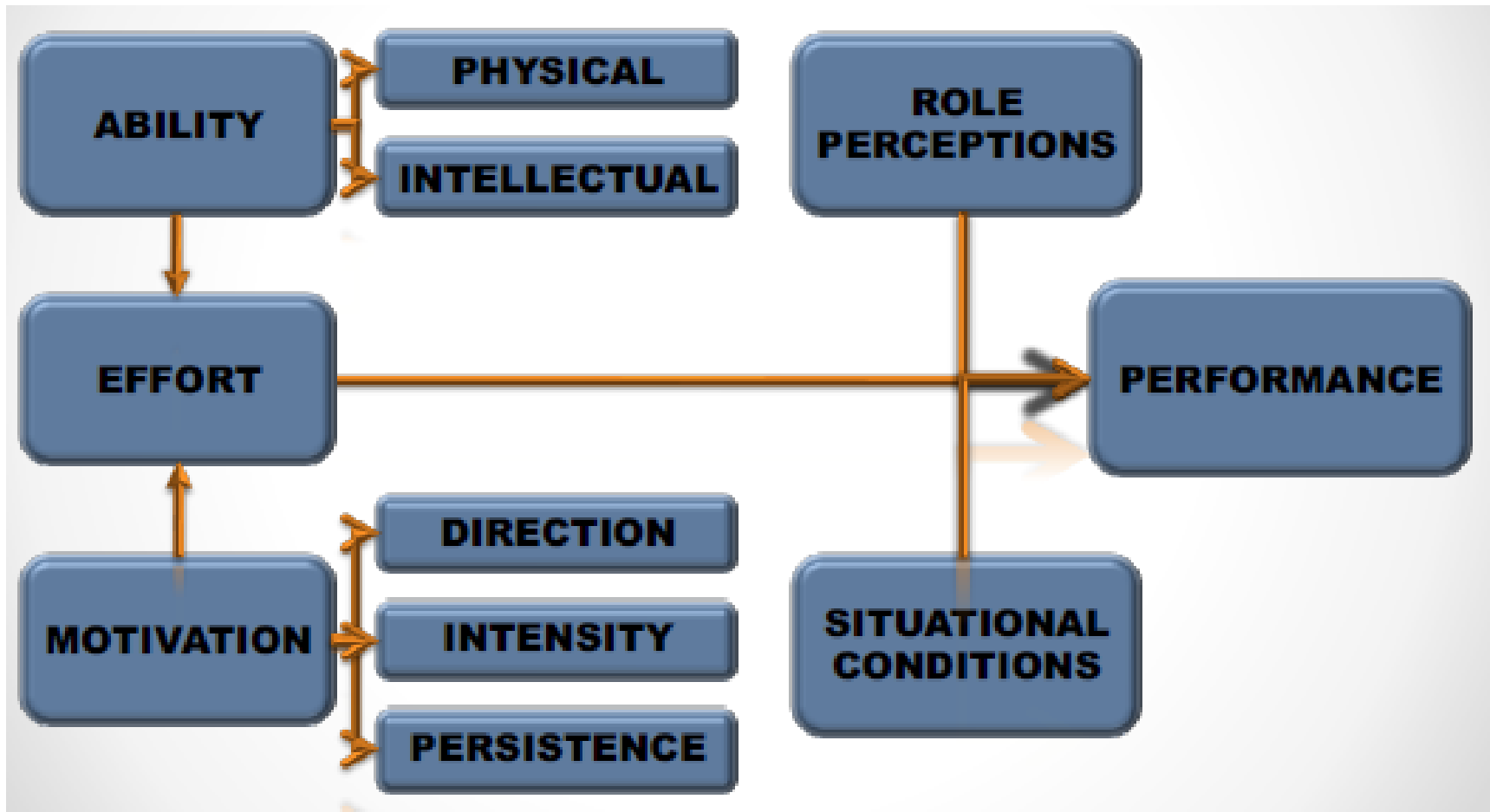


MOTIVATION CONT.

Process theories of motivation focus on the thought or cognitive processes that take place within the minds of people and that influence their behavior. Whereas a content approach may identify job security as an important individual need, a process approach would probe further to identify why the person decides to behave in certain ways relative to available rewards and work opportunities. Three process theories discussed in this part are *equity theory*, *expectancy theory*, and *goal-setting theory*.



EFFORT – PERFORMANCE RELATIONS



DETERMINATION OF TASK PERFORMANCE

Performance = Ability x Motivation

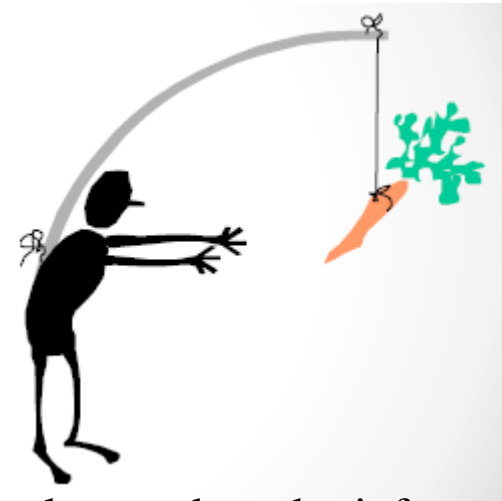
Ability = Aptitude x Training x Resources

Motivation = Desire x Commitment



TYPES OF MOTIVATES

- **PRIMARY MOTIVES**
 - Eating, drinking
- **SECONDARY MOTIVES**
 - Power, success, affiliation
- **GENERAL MOTIVES**
 - Curiosity, love



Extrinsic motivation, meaning you are motivated by external rewards and reinforcers. For example, praise or awards.

Intrinsic motivation, meaning you are motivated by internal rewards and reinforcers. For example, a sense of achievement.

Addiction, which is unhealthy and toxic. In this case, the rewards of an activity fade off and you're left only with the reinforcement.

CARROT & STICK APPROACH

If an organization has a carrot and stick approach or policy, **they offer people things in order to persuade them to do something and punish them if they refuse to do it.**

THEORIES OF MOTIVATION

- **CONTENT THEORIES**

- MASLOW HIERARCHY OF NEEDS
- HERZBERG TWO FACTOR THEORY
- ALDERFER ERG THEORY
- McCLELLAND NEED THEORY
- McGREGOR THEORY X – THEORY Y

- **PROCESS THEORIES**

- EXPECTANCY THEORIES
- EQUITY THEORIES
- GOAL SETTINGS THEORIES



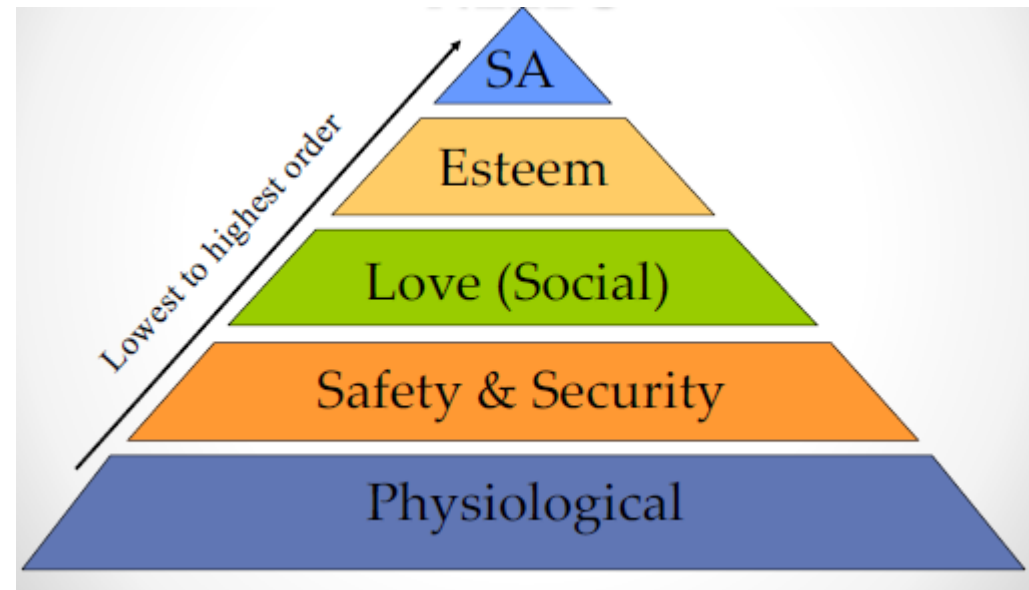
CONTENT THEORIES



HIERARCHY OF NEEDS

hierarchy of needs theory

There is a hierarchy of five needs—physiological, safety, social, esteem, and self-actualization; as each need is substantially satisfied, the next need becomes dominant.



Maslow's **hierarchy of needs theory**, depicted in Figure, identifies five levels of individual needs. They range from self-actualization and esteem needs at the top, to social, safety, and physiological needs at the bottom. The concept of a needs “hierarchy” assumes that some needs are more important than others and must be satisfied before the other needs can serve as motivators. For example, physiological needs must be satisfied before safety needs are activated; safety needs must be satisfied before social needs are activated; and so on.

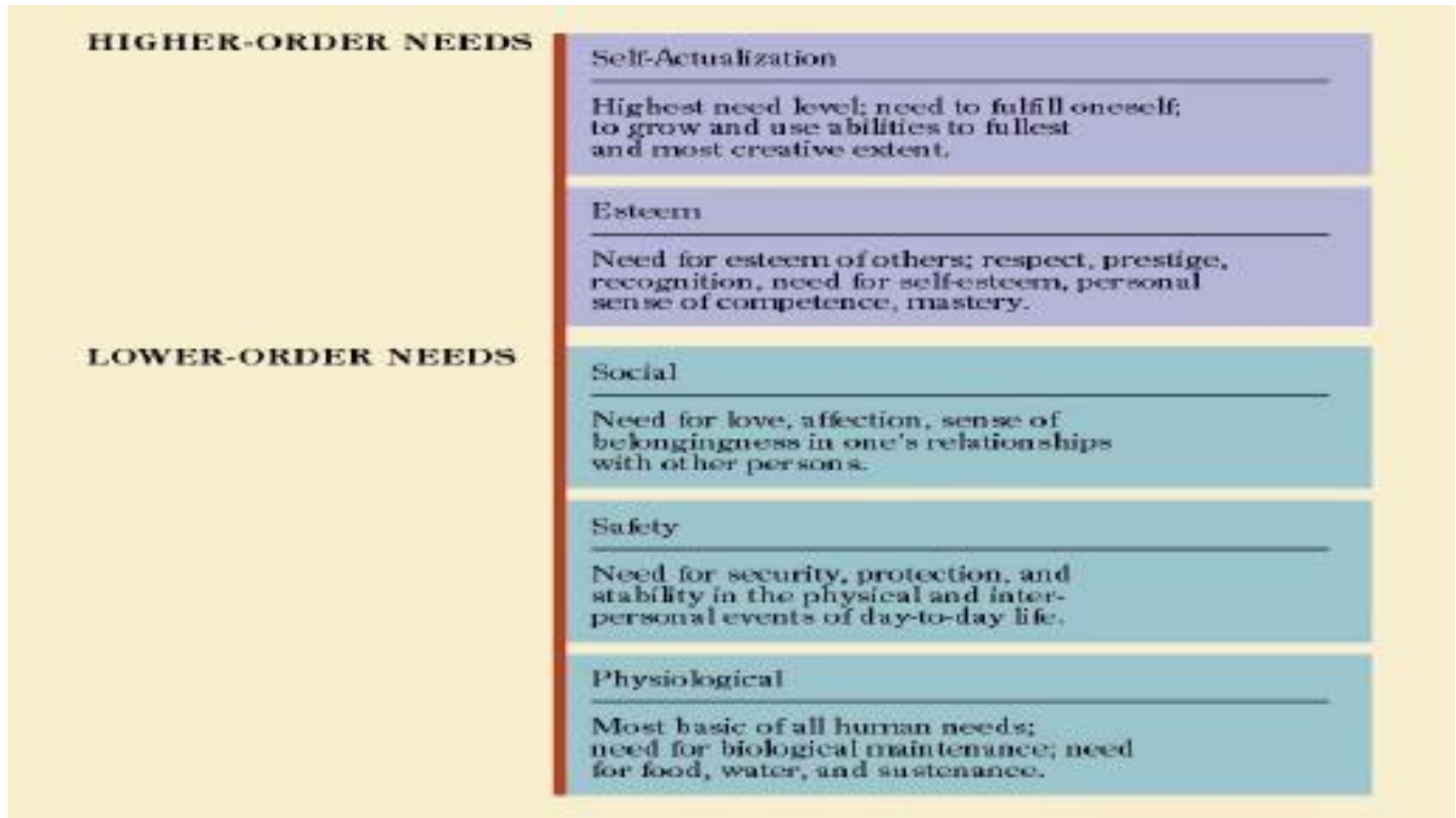


HIERARCHY OF NEEDS

Maslow's model is easy to understand and quite popular. But research evidence fails to support the existence of a precise five-step hierarchy of needs. If anything, the needs are more likely to operate in a flexible rather than in a strict, step-by-step sequence. Some research suggests that **higher-order needs** (esteem and self-actualization) tend to become more important than **lower-order needs** (psychological, safety, and social) as individuals move up the corporate ladder. Studies also report that needs vary according to a person's career stage, the size of the organization, and even geographic location. There is also no consistent evidence that the satisfaction of a need at one level decreases its importance and increases the importance of the next-higher need. And findings regarding the hierarchy of needs vary when this theory is examined across cultures. For instance, social needs tend to take on higher importance in more collectivist societies, such as Mexico and Pakistan, than in individualistic ones like the United States.



HIERARCHY OF NEEDS



HIERARCHY OF NEEDS

- ❖ **Physiological:** Fundamental biological drives, such as the need for food, air, water, and shelter.
- ❖ **Safety:** The need for a secure environment and to be free from threats of physical or psychological harm.
- ❖ **Social:** The need to be affiliate – that is, to have friends, and to be loved and accepted by other people.
- ❖ **Esteem:** The need to develop self-respect and to gain the approval of others.
- ❖ **Self-Actualization:** The need to discover who we are and to develop ourselves to the fullest potential.

MANAGERIAL ACTIVITIES - MASLOW

- Promote a healthy workforce
- Provide financial security
- Provide opportunities to socialize
- Recognize employees' accomplishments



TWO FACTOR THEORY (FREDERICK HERZBERG)

two-factor theory

Intrinsic factors are related to job satisfaction, while extrinsic factors are associated with dissatisfaction.

hygiene factors

Factors—such as company policy and administration, supervision, and salary—that, when adequate in a job, placate workers. When these factors are adequate, people will not be dissatisfied.



HYZERBERG TWO FACTOR THEORY

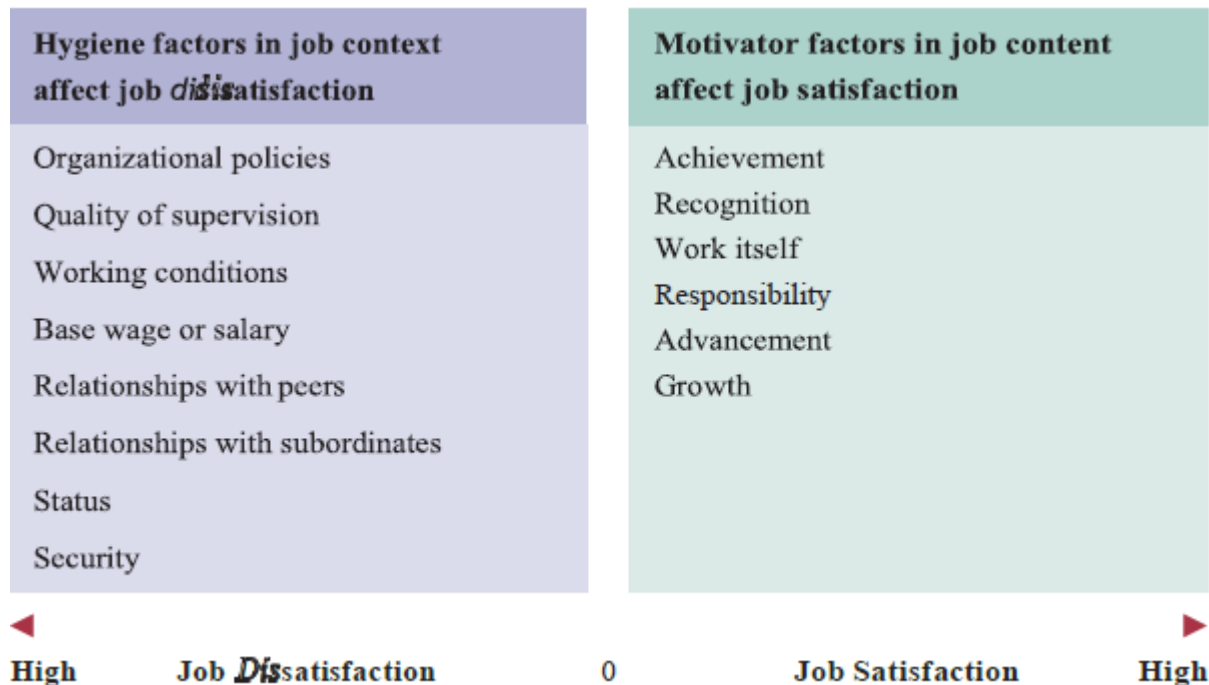
Frederick Herzberg took yet another approach to examining the link between individual needs and motivation. He began by asking workers to report the times they felt exceptionally good about their jobs and the times they felt exceptionally bad about them. The researchers noticed that people talked about very different things when they reported feeling good or bad about their jobs. Herzberg explained these results using the **two-factor theory**, also known as the motivator-hygiene theory, because this theory identifies two different factors as primary causes of job satisfaction and job dissatisfaction.

Hygiene factors are sources of job dissatisfaction, and they are associated with the job context or work setting. That is, they relate more to the environment in which people work than to the nature of the work itself. The two-factor theory suggests that job dissatisfaction results when hygiene factors are poor. But it also suggests that improving the hygiene factors will only decrease job dissatisfaction; it will not increase job satisfaction.



HYZERBERG TWO FACTOR THEORY

Motivator factors, shown on the right in Figure, are sources of job satisfaction. These factors are related to job content—what people actually do in their work. They include such things as a sense of achievement, opportunities for personal growth, recognition, and responsibility. According to the two-factor theory, the presence or absence of satisfiers or motivators in people’s jobs is the key link to satisfaction, motivation, and performance. When motivator factors are minimal, low job satisfaction decreases motivation and performance; when motivator factors are substantial, high job satisfaction raises motivation and performance.



HERZBERG TWO FACTOR THEORY

Job satisfaction and job dissatisfaction are separate dimensions in the two-factor theory. Taking action to improve a hygiene factor, such as by giving pay raises or creating better physical working conditions, will not make people satisfied with their work; it will only prevent them from being dissatisfied on these matters. To improve job satisfaction, Herzberg suggests the technique of *job enrichment* as a way of building satisfiers into job content.



HYZERBERG TWO FACTOR THEORY SUMMARY

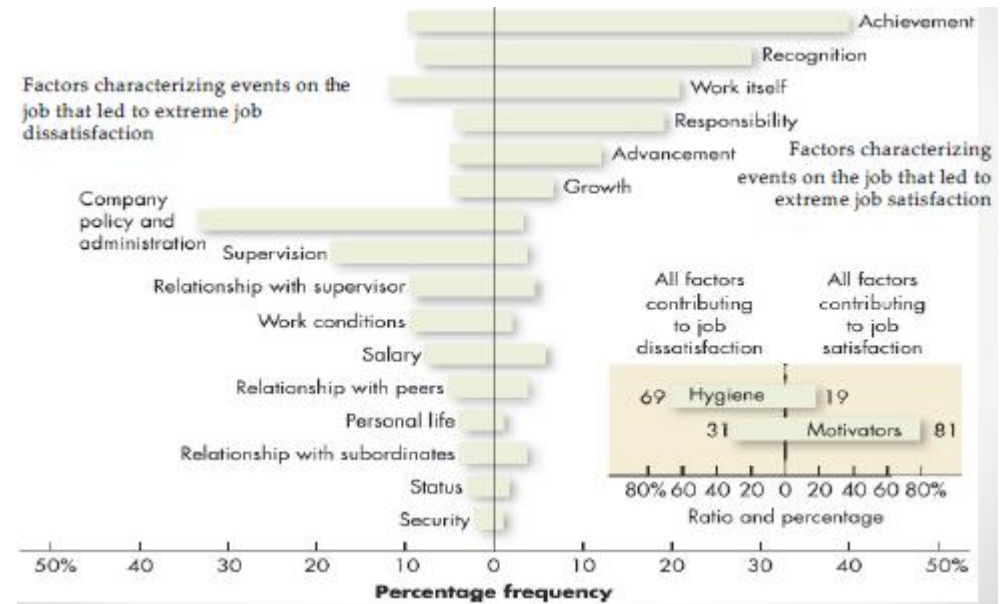
Hygiene Factor - work condition related to dissatisfaction caused by discomfort or pain

- o maintenance factor
- o contributes to employee's feeling not dissatisfied

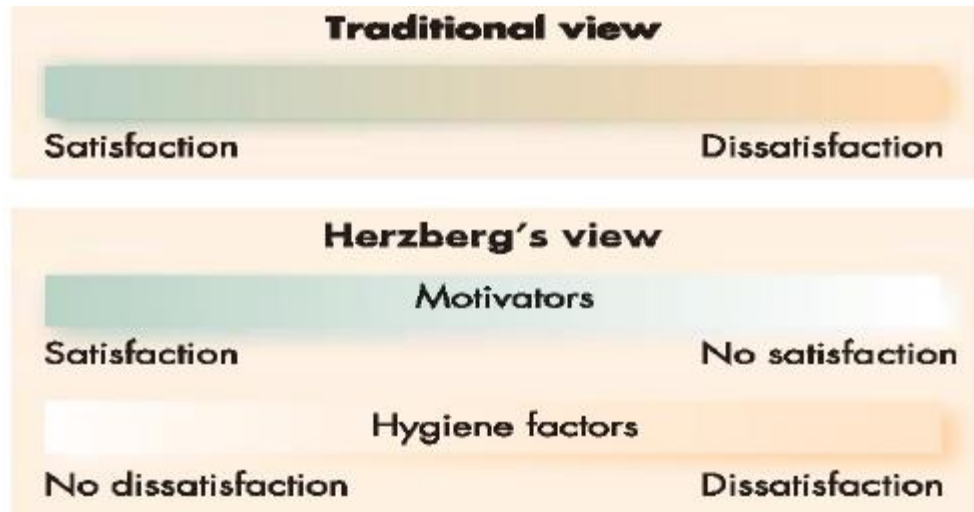
- o contributes to absence of complaints

Motivation Factor - work condition related to the satisfaction of the need for psychological growth

- o job enrichment
- o leads to superior performance & effort



HYGIENE FACTORS



ERG THEORY (Clayton Alberter)

ERG theory is also based on needs, but it differs from Maslow's theory in three main respects.⁹First, ERG theory collapses Maslow's five needs categories into three: **existence needs**, desires for physiological and material well-being; **relatedness needs**, desires for satisfying interpersonal relationships; and **growth needs**, desires for continued personal growth and development. Second, ERG theory emphasizes a unique *frustration-regression* component. An already satisfied lower-level need can become activated when a higher-level need cannot be satisfied. Thus, if a person is continually frustrated in his or her attempts to satisfy growth needs, relatedness needs can again surface as key motivators. Third, unlike Maslow's theory, ERG theory contends that more than one need may be activated at the same time.

The supporting evidence for ERG theory is encouraging, even though further research is needed.¹⁰In particular, ERG theory's allowance for regression back to lower-level needs is a valuable contribution to our thinking. It may help to explain why in some settings, for example, worker complaints focus mainly on wages, benefits, and working conditions—things relating to existence needs.



ERG THEORY CONT.

ERG Theory

There are three groups of core needs: existence, relatedness, and growth.

Core Needs

Existence: provision of basic material requirements.

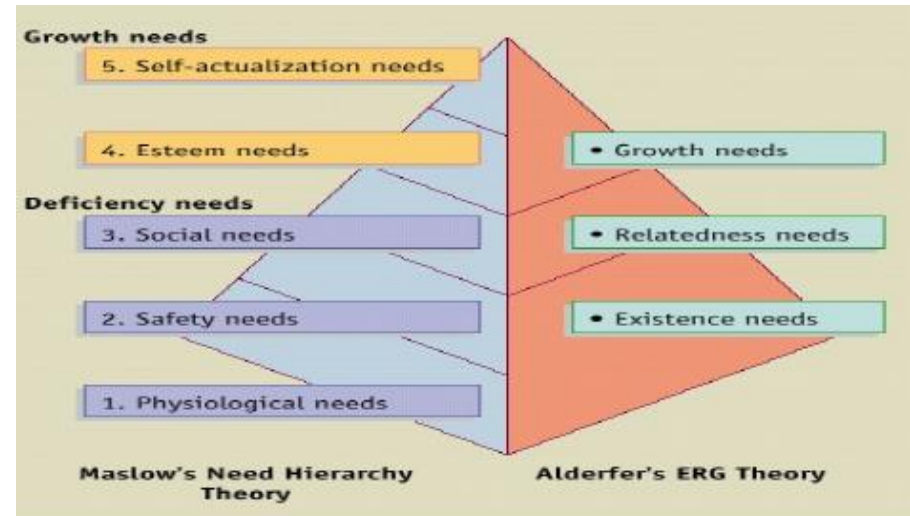
Relatedness: desire for relationships.

Growth: desire for personal development.

Concepts:

More than one need can be operative at the same time.

If a higher-level need cannot be fulfilled, the desire to satisfy a lower-level need increases.



- **Existence:** Corresponds with Maslow's physiological and safety needs.
- **Relatedness:** Corresponds with Maslow's social needs.
- **Growth:** Corresponds with Maslow's esteem and self actualization needs.

DAVID MCCLELLAND'S THEORY OF NEEDS

McClelland identified themes in the TAT stories that he believed correspond to needs that are acquired over time as a result of our life experiences. **Need for achievement** (nAch) is the desire to do something better or more efficiently, to solve problems, or to master complex tasks. **Need for affiliation** (nAff) is the desire to establish and maintain friendly and warm relations with others. **Need for power** (nPower) is the desire to control others, to influence their behavior, or to be responsible for others.

Because each need can be linked with a set of work preferences, McClelland encouraged managers to learn how to identify the presence of nAch, nAff, and nPower in themselves and in others. Someone with a high need for achievement will prefer individual responsibilities, challenging goals, and performance feedback. Someone with a high need affiliation is drawn to interpersonal relationships and opportunities for communication. Someone with a high need for power seeks influence over others and likes attention and recognition.



DAVID MCCLELLAND'S THEORY OF NEEDS

Need for Achievement

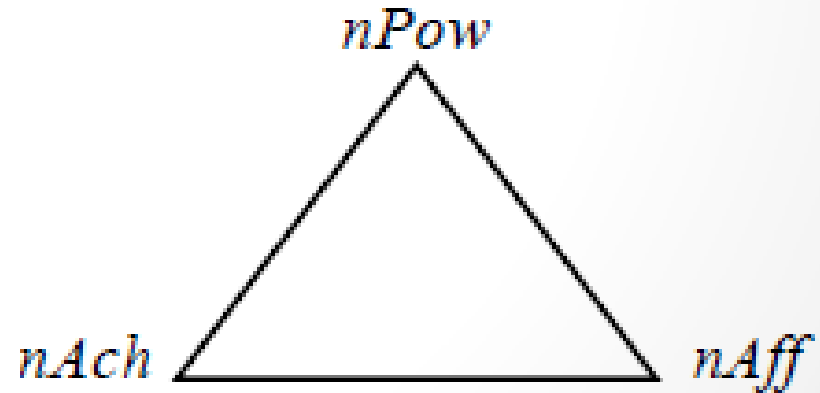
The drive to excel, to achieve in relation to a set of standards, to strive to succeed.

Need for Affiliation

The desire for friendly and close personal relationships.

Need for Power

The need to make others behave in a way that they would not have behaved otherwise.



DAVID MCCLELLAND'S THEORY OF NEEDS

NEED FOR ACHIEVEMENT

a manifest (easily perceived) need that concerns individuals' issues of excellence, competition, challenging goals, persistence, and overcoming difficulties

NEED FOR POWER

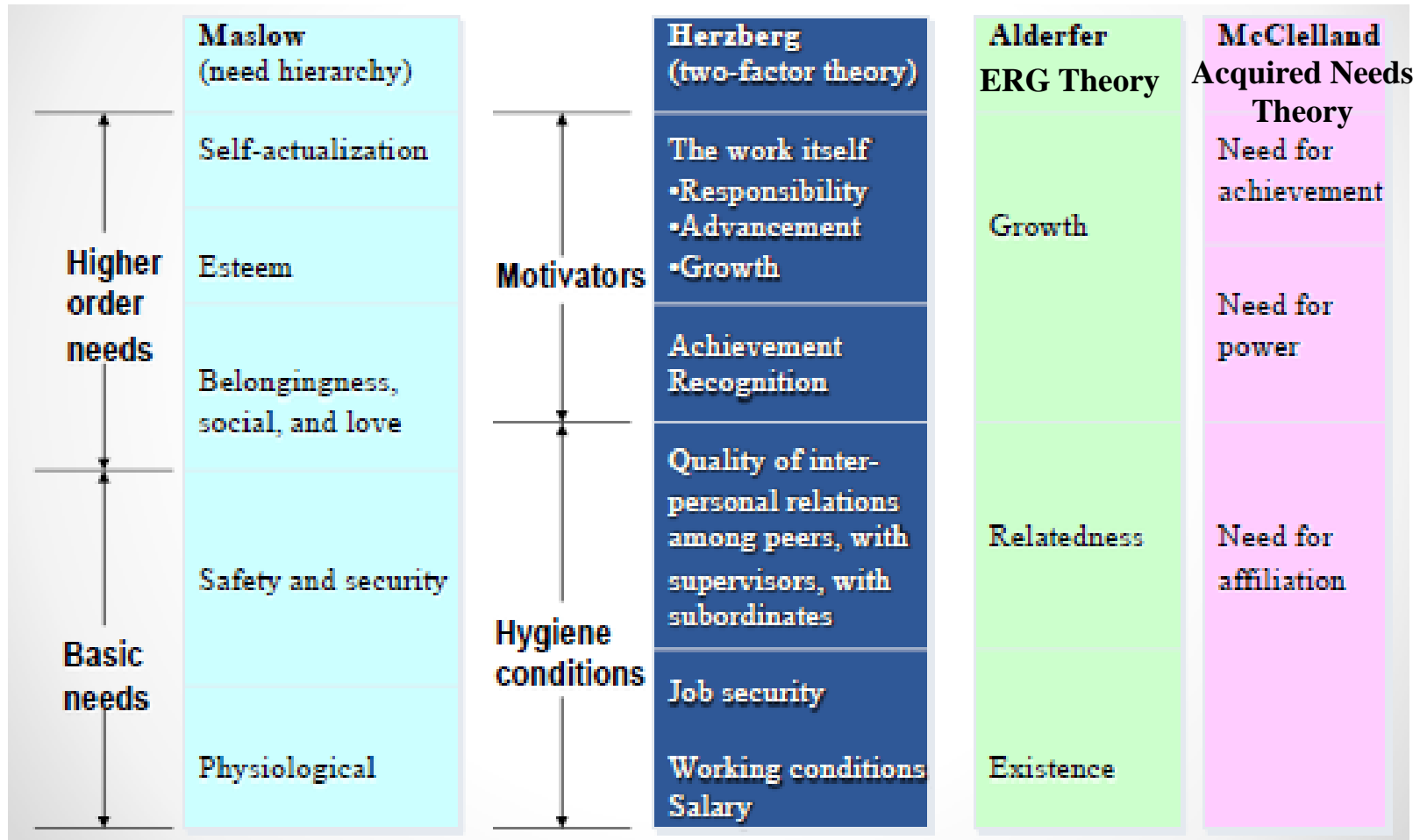
a manifest (easily perceived) need that concerns an individual's need to make an impact on others, influence others, change people or events, and make a difference in life

NEED FOR AFFILIATIONS

a manifest (easily perceived) need that concerns an individual's need to establish and maintain warm, close, intimate relationships with other people



COMPARISON OF CONTECT THEORY



PROCESS THEORIES



EXPECTANCY THEORY

(Victor Vroom)

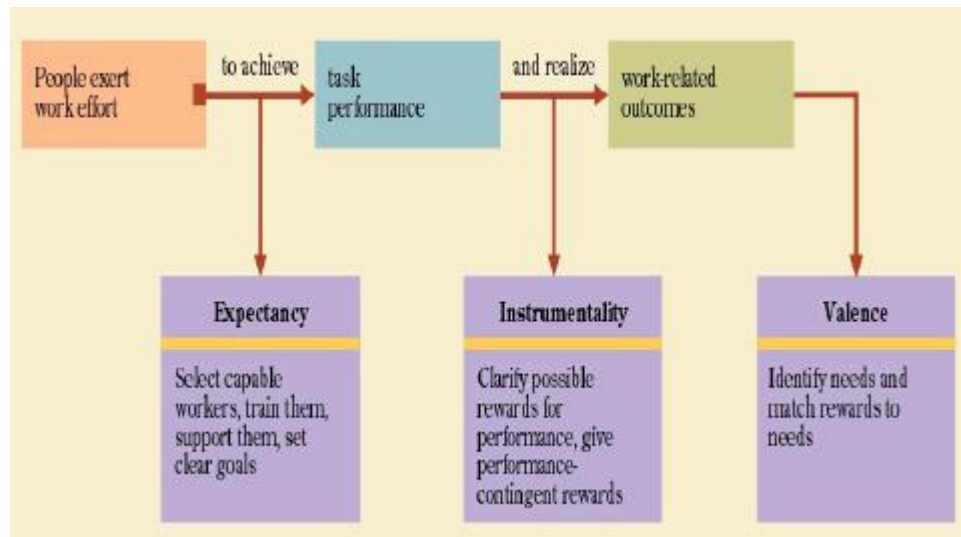
The strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

Expectancy: The belief that one's efforts will positively influence one's performance.

Instrumentality: An individual's beliefs regarding the likelihood of being rewarded in accord with his or her own level of performance.

Valence: The value a person places on the rewards he or she expects to receive from an organization.

Other Determinants: Skills and abilities, Role perceptions, opportunities to perform



EXPECTANCY THEORY

In expectancy theory, and as summarized in Figure, a person is motivated to the degree that he or she believes that: (1) effort will yield acceptable performance (expectancy), (2) performance will be rewarded (instrumentality), and (3) the value of the rewards is highly positive (valence). Each of the key underlying concepts or terms is defined as follows.

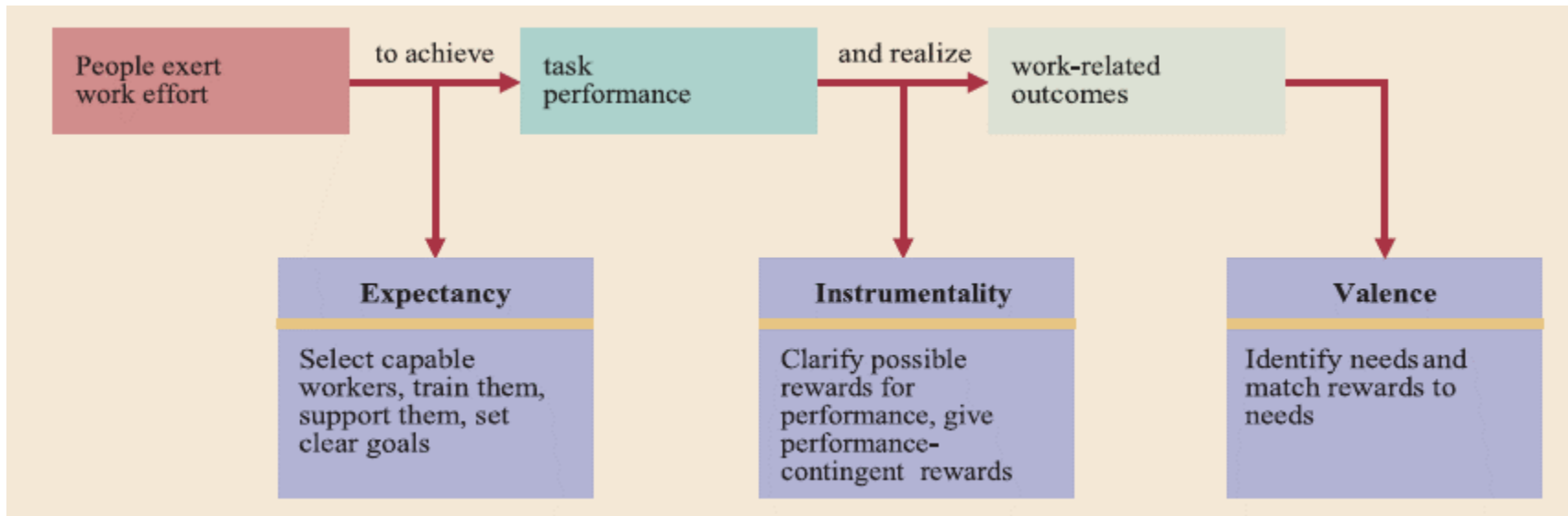
- **Expectancy** is the probability assigned by an individual that *work effort will be followed by a given level of achieved task performance*. Expectancy would equal zero if the person felt it were impossible to achieve the given performance level; it would equal one if a person were 100 percent certain that the performance could be achieved.
- **Instrumentality** is the probability assigned by the individual that *a given level of achieved task performance will lead to various work outcomes*. Instrumentality also varies from 0 to 1. Strictly speaking, Vroom's treatment of instrumentality would allow it to vary from -1 to $+1$. We use the probability definition here and the 0 to $+1$ range for pedagogical purposes; it is consistent with the instrumentality notion.
- **Valence** is the value attached by the individual to *various work outcomes*. Valences form a scale from -1 (very undesirable outcome) to $+1$ (very desirable outcome).

Vroom posits that motivation, expectancy, instrumentality, and valence are related to one another by this equation.

$$\text{Motivation} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}$$



EXPECTANCY THEORY CONT.



You can remember this equation simply as $M = E \times I \times V$, and the multiplier effect described by the “ \times ” signs is significant. It means that the motivational appeal of a given work path is sharply reduced whenever any one or more of these factors approaches the value of zero. Conversely, for a given reward to have a high and positive motivational impact as a work outcome, the expectancy, instrumentality, and valence associated with the reward all must be high and positive.

EXPECTANCY THEORY CONT.

Suppose that a manager is wondering whether or not the prospect of earning a merit pay raise will be motivational to an employee. Expectancy theory predicts that motivation to work hard to earn the merit pay will be low if *expectancy* is low—a person feels that he or she cannot achieve the necessary performance level. Motivation will also be low if *instrumentality* is low—the person is not confident a high level of task performance will result in a high merit pay raise. Motivation will also be low if *valence* is low—the person places little value on a merit pay increase. Finally, motivation will be low if any combination of these exists. Thus, the multiplier effect advises managers to act to maximize expectancy,

$$\text{Motivation} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}$$



EXTRINSIC & INTRINSIC REWARDS

❖ **Extrinsic rewards.**

o Positively valued work outcomes given to the individual by some other person.

❖ **Intrinsic rewards.**

o Positively valued work outcomes that the individual receives directly as a result of task performance.

GUIDELINES FOR REWARDS

o Clearly identify the desired behaviors.

o Maintain an inventory of rewards that have the potential to serve as positive reinforcers.

o Recognize individual differences in the rewards that will have a positive value for each person.

o Let each person know exactly what must be done to receive a desirable reward; set clear target antecedents and give performance feedback.

o Allocate rewards contingently and immediately upon the appearance of the desired behaviors

o Allocate rewards wisely in terms of scheduling the delivery of positive reinforcement.



TYPES OF REWARDS

Contrived Rewards: Some Direct Cost		Natural Rewards: No Direct Cost	
refreshments	promotion	smiles	recognition
piped-in music	trips	greetings	feedback
nice offices	company car	compliments	asking advice
cash bonuses	paid insurance	special jobs	
merit pay increases	stock options		
profit sharing	gifts		
office parties	sport tickets		

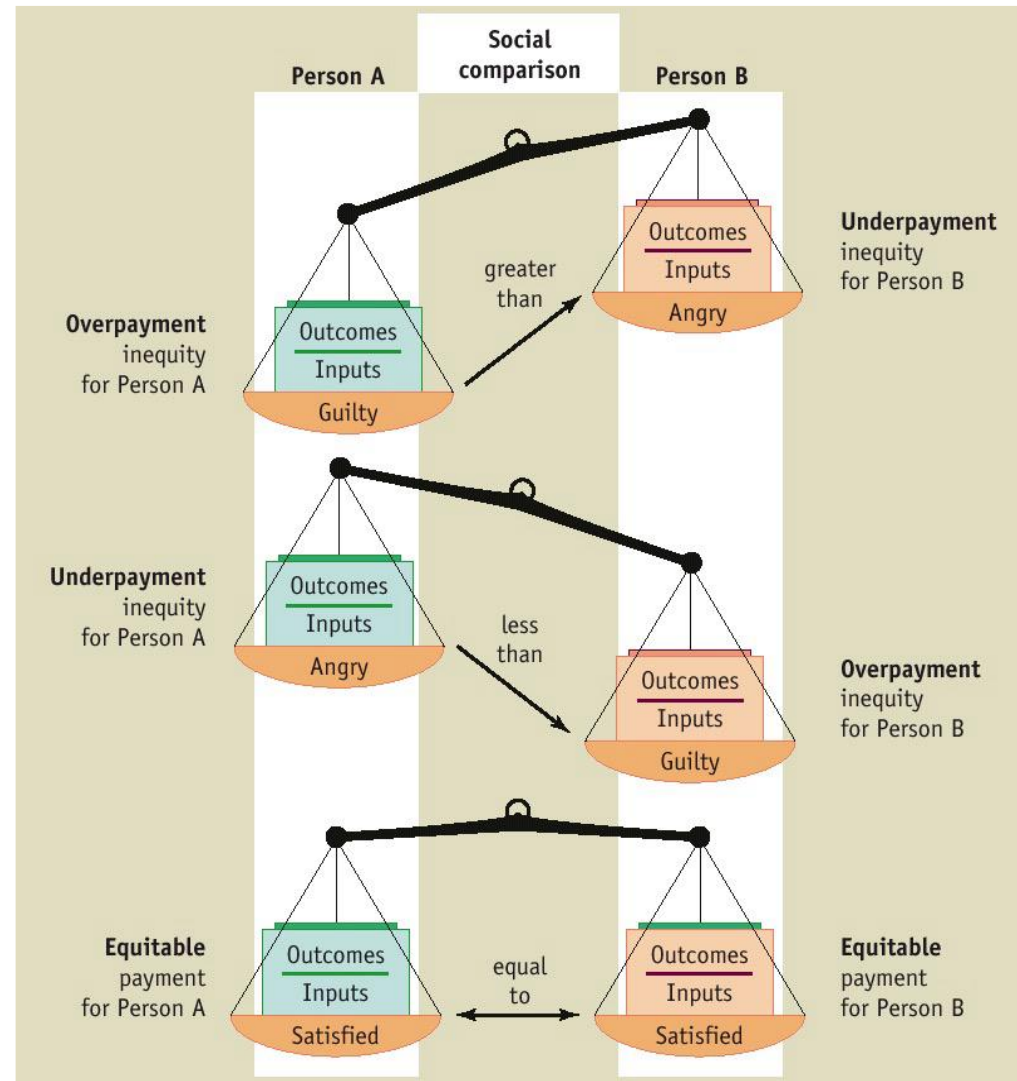


MANAGERIAL ACTIVITIES

EXPECTANCY THEORY

- Clarify people's expectancies that their effort will lead to performance.
- Administer rewards that are positively valent to employees.
- Clearly link valued rewards and performance.

EQUITY THEORY



EQUITY THEORY

Adams's **equity theory** posits that people will act to eliminate any felt inequity in the rewards received for their work in comparison with others

The basic foundation of equity theory is social comparison. Think back to the earlier questions. When you receive a grade, do you try to find out what others received as well? And when you do, does the interpretation of your grade depend, in part, on how well your grade compared to those of others? Equity theory would predict that your response upon receiving a grade will be based on whether or not you perceive it as fair and equitable. Furthermore, that determination is only made after you compare your results with those received by others.

Adams argues that this logic applies equally well to the motivational consequences of any rewards that one might receive at work. Adams believes that motivation is a function of how one evaluates rewards received relative to efforts made, and as compared to the rewards received by others relative to their efforts made. A key word in this comparison is “fairness,” and as you might expect, any feelings of unfairness or perceived inequity are uncomfortable. They create a state of mind we are motivated to eliminate.



EQUITY THEORY

Perceived inequity occurs when someone believes that the rewards received for his or her work contributions compare unfavorably to the rewards other people appear to have received for their work. The basic equity comparison can be summarized as follows:

$$\frac{\text{Individual Outcomes}}{\text{Individual Efforts}} \begin{matrix} > \\ < \end{matrix} \frac{\text{Others' Outcomes}}{\text{Others' Efforts}}$$

Felt negative inequity in this equation exists when an individual feels that he or she has received relatively less than others have in proportion to work inputs. *Felt positive inequity* exists when an individual feels that he or she has received relatively more than others have. When either feeling exists, the theory states that people will be motivated to act in ways that remove the discomfort and restore a sense of felt equity. In the case of perceived negative inequity, for example, people are likely to respond by engaging in one or more of the following behaviors:

- Change work inputs (e.g., reduce performance efforts).
- Change the outcomes (rewards) received (e.g., ask for a raise).
- Leave the situation (e.g., quit).
- Change the comparison points (e.g., compare self to a different co-worker).
- Psychologically distort the comparisons (e.g., rationalize that the inequity is only temporary and will be resolved in the future).
- Take actions to change the inputs or outputs of the comparison person (e.g., get a co-worker to accept more work).



STRATEGY OF RESOLUTION OF INEQUALITY

- Alter the person's outcomes
- Alter the person's inputs
- Alter the comparison other's outputs
- Alter the comparison other's inputs
- Change who is used as a comparison other
- Rationalize the inequity
- Leave the organizational situation



ORGANIZATIONAL JUSTICE



Organizational justice is an issue of how fair and equitable people view workplace practices.

Procedural justice is the degree to which rules are always properly followed to implement policies.

Distributive justice is the degree to which all people are treated the same under a policy.

Interactional justice is the degree to which the people are treated with dignity and respect in decisions affecting them.

MANAGERIAL ACTIVITIES – EQUITY THEORY

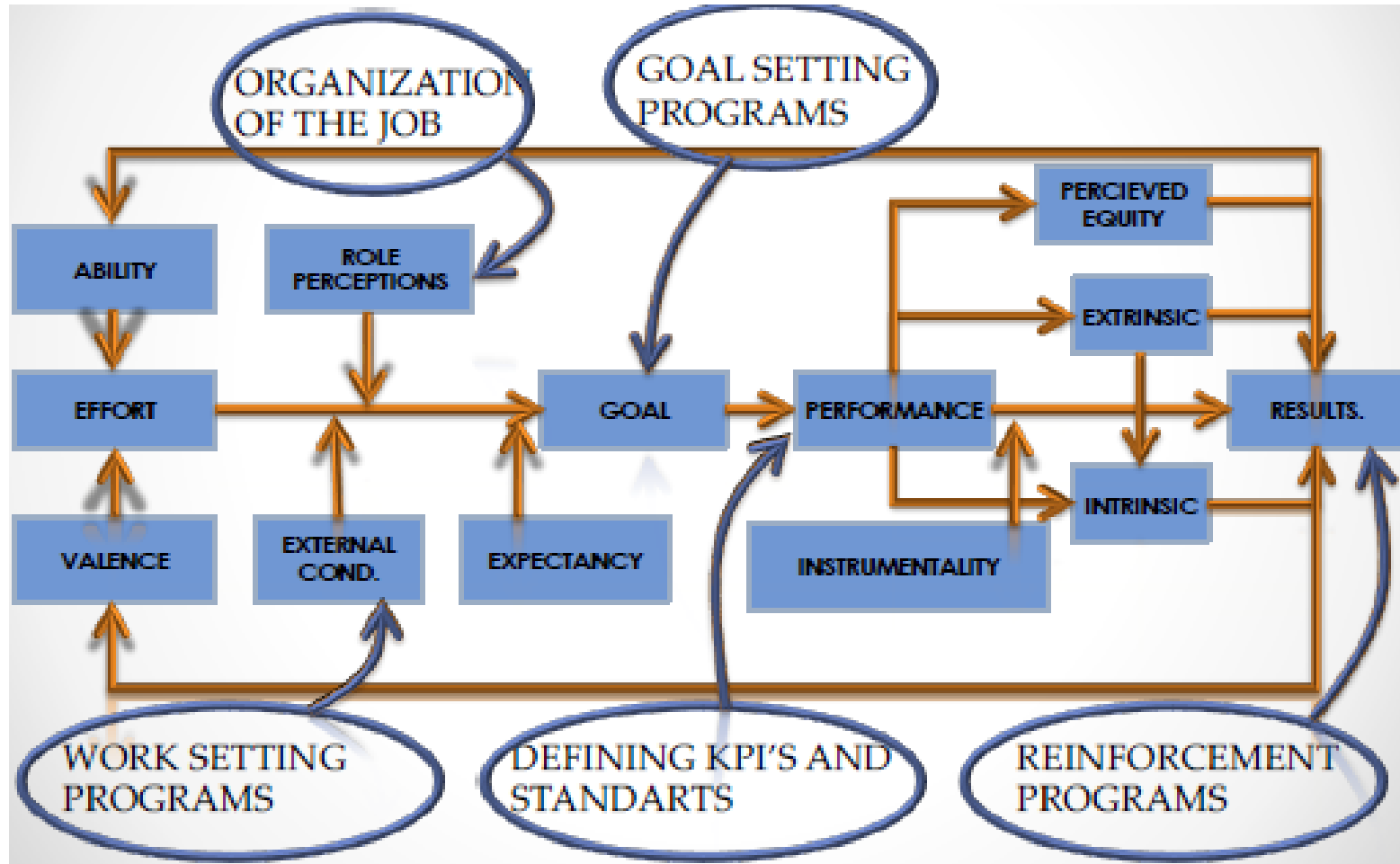
- ❖ Give people a say in how decisions are made.
- ❖ Provide an opportunity for errors to be corrected.
- ❖ Apply rules and policies consistently.
- ❖ Make decisions in an unbiased manner.
- ❖ Avoid underpayment.
- ❖ Avoid overpayment.
- ❖ Give people a voice in decisions affecting them.
- ❖ Explain outcomes thoroughly using a socially sensitive manner.



APPLICATIONS OF MOTIVATION



INTEGRATED THEORIES & IMPLEMENTATIONS



REINFORCEMENT THEORY

The assumption that behavior is a function of its consequences.

Concepts:

Behavior is environmentally caused.

Behavior can be modified (reinforced) by providing (controlling) consequences.

Reinforced behavior tends to be repeated.

SCHEDULES OF REINFORCEMENT

➤ **Continuous reinforcement.**

- Administers a reward each time the desired behavior occurs.

➤ **Intermittent reinforcement.**

- Rewards behavior periodically — either on the basis of time elapsed or the number of desired behaviors exhibited.



CONTINGENCIES OF REINFORCEMENT

	Consequence is Introduced	No Consequence	Consequence is Removed
Behavior Increases	Positive reinforcement		Negative reinforcement
Behavior Decreases	Punishment	Extinction	Punishment

TYPES OF REINFORCEMENT

- **Positive reinforcement**
 - Providing a reward for a desired behavior.
- **Negative reinforcement**
 - Removing an unpleasant consequence when the desired behavior occurs.
- **Punishment**
 - Applying an undesirable condition to eliminate an undesirable behavior.
- **Extinction**
 - Withholding reinforcement of a behavior to cause its cessation.



SCHEDULES OF REINFORCEMENT

Continuous Reinforcement

A desired behavior is reinforced each time it is demonstrated.

Intermittent Reinforcement

A desired behavior is reinforced often enough to make the behavior worth repeating but not every time it is demonstrated.

Fixed-Interval Schedule

Rewards are spaced at uniform time intervals.

Variable-Interval Schedule

Rewards are initiated after a fixed or constant number of responses.



SCHEDULES OF REINFORCEMENT

Reinforcement Scheduled	Nature of Reinforcement	Effect on Behavior
Continuous	Reward given after each desired behavior	Fast learning of new behavior but rapid extinction
Fixed-interval	Reward given at fixed time intervals	Average and irregular performance with rapid extinction
Variable-interval	Reward given at variable times	Moderately high and stable performance with slow extinction
Fixed-ratio	Reward given at fixed amounts of output	High and stable performance attained quickly but also with rapid extinction
Variable-ratio	Reward given at variable amounts of output	Very high performance with slow extinction



PRINCIPLES OF USING PUNISHMENT

- ❖ Prefer reward instead of punishment
- ❖ The punishment should be within ethical Standards
- ❖ Punish every undesirable behavior (Continuous reinforcement)
- ❖ Punish every employee who engages undesirable behavior (interactional justice)
- ❖ Explain the reasons of punishment
- ❖ Provide positive feedback (not just what not to do also explain what should be done)



WHICH SCHEDULE WORKS FOR BEST?

- **Continuous** reinforcement to **acquire new skill**
- **Intermittent** reinforcement to **maintain skill**
 - Ratio better than Interval (more rapid responding)
 - Variable better than fixed (higher resistance to extinction)



ORGANIZATION OF THE WORK SETTINGS

Anthropometry

A. Description of the physical variation in humans by measurement; a basic technique of physical anthropology.

B. The measurement of the dimensions and certain other physical characteristics of the body.

A. Static (structural) - taken while the body is in a static position

- Skeletal dimensions - joint-to-joint measurement
- Maximum body width
- Data available on most characteristics of the body

B. Dynamic (functional)

- Measurements taken while the body is engaged in some kind of activity
- Driving a car
- Working at a desk / VDT Terminal



JOB DESIGN THEORY

There are three broad theories of good job design related to human motivation: job relevance, job enlargement, and job enrichment. In order for employees to have a sense of accomplishment in their work, “the job needs to be designed so that the tasks have a clear purpose and relate to the company mission.” After all, “good job design incorporates tasks that relate to organizational goals and values into every job description

Job Relevance

Significance and relevance isn't just for high-performance individuals and senior executives.. *To avoid turnover and engagement issues, this factor should be designed in at every level and length of tenure, from new hire to veteran.* With a focus on specialization and standardization—“man as a machine”—scientific management yielded productivity and profit/wage gains, but at a cost. Although specialization can increase quality and productivity, it can also result in boredom and create a sense of alienation that depresses productivity and job satisfaction.

Job Enlargement

Job enlargement seeks *to address this issue by expanding the number of tasks one person is responsible for.* For example, instead of performing one task in a series, a worker would be responsible for a series of tasks. Job enlargement needs to be coupled with training to develop competency in performing the additional tasks. If effectively designed, job enlargement can increase satisfaction. Quality may remain high or increase, since there's a greater understanding of dependencies.



JOB DESIGN THEORY

Job Enrichment

The theory of job enrichment is attributed to Frederick Herzberg, who famously stated that “if you want people to do a good job, give them a good job to do.” Herzberg believed that “employee satisfaction can be enhanced through ‘job enrichment’—the addition of different tasks associated with a job that provides greater involvement and interaction with that job.” Specifically, he proposed that: “the job must use the full ability of the employee and provide them with sufficient challenge and any employee who demonstrates an increasing level of ability should be given correspondingly increasing levels of responsibility.”



JOB CHARACTERISTICS THEORY

According to DeCenzo, et.al., Herzberg “suggests expanding the content of a job with opportunities for personal growth, advancement, responsibility, interesting work, recognition and achievement to create more opportunities for job satisfaction and motivation.” Organizational psychologists J. Richard Hackman and Greg Oldham built on Herzberg’s theories, developing a job design model (referred to as the job characteristics theory or JCT) based on the following five job characteristics:

1.Skill Variety or the “degree to which a job requires a variety of different activities in carrying out the work, involving the use of a number of different skills and talents of a person.”

2.Task Identity or the “degree to which the job requires completion of a whole, identifiable piece of work; that is, doing a job from beginning to end with visible outcome.”

3.Task Significance or the “degree to which the job has a substantial impact on the lives of other people, whether those people are in the immediate organization or in the world at large.”

4.Autonomy or the “degree to which the job provides substantial freedom, independence, and discretion to the individual in scheduling the work and in determining the procedure to be used in carrying it out.”

5.Feedback or the “degree to which carrying out the work activities required by the job provides the individual with direct and clear information about the effectiveness of his or her performance.”

Characteristics:

1. Skill variety
2. Task identity
3. Task significance
4. Autonomy
5. Feedback



MOTIVATING POTENTIAL SCORE

An important angle to consider when trying to understand motivation in the workplace is to focus on **job characteristics**. The way that we design jobs has a huge impact on the people working in them. Unfortunately, many jobs are not so much designed as they are thrown together. They tend to be overloaded and unclear, with no real definition of success attached.

But a job that has been intentionally designed has the potential to radically increase motivation, satisfaction, and performance.

In 1975, two professors set out to discover exactly what this type of job would look like. They then turned their results into an equation and called it the **Motivating Potential Score (MPS)**.

$$\left(\frac{\text{Skill variety} + \text{Task identity} + \text{Task significance}}{3} \right) \times \text{Autonomy} \times \text{Feedback}$$



MOTIVATING POTENTIAL SCORE

Skill variety

In the assembly lines of the industrial age, jobs were becoming so narrow that you only needed to learn one skill. You'd sit at your workstation and perform the same three moves endlessly, all day.

A meaningful job, however, tends to include a variety of activities and requires people to learn multiple skills. If the skills are challenging to learn, all the better.

Task identity

Very simply, people like to finish what they start.

We can sometimes get carried away with specialization. We break apart a project into such small increments that no one really has ownership over the end product. You end up making photocopies all day and you're not quite sure why.

In contrast to this, the ability to work on a project from design to completion is incredibly rewarding. Not only is it easier to keep the ultimate goal in front of us, but we can experience pride over a finished product. There is something very satisfying about being able to “close the loop” and identify a clear start and finish to our work.

Task significance

Sometimes, it's really hard to see why our work matters. If we can give employees a clear line of sight between what they do and how that affects real people in some tangible way, we can tap into a much deeper well of motivation.

This is as much job design as it is casting vision. We need to help our employees envision the future and see how doing their work well will improve the quality of someone else's life.



MOTIVATING POTENTIAL SCORE

You can see that these first three characteristics are bundled together in the above formula. They can be collectively referred to as *job meaningfulness*. They are divided by 3 in order to find the average level of meaning that one might find in a job.

The fact that they're bundled means that a drastic rise or lowering in one of the characteristics will certainly make a difference, but will not bottom out the final score. If task identity is low, for example, but you are able to use a variety of skills and see how your job affects others, the MPS may still be high.

These next two characteristics, however, have more potential to sway the overall level of motivation. Because they stand alone, a zero in either category will cause the entire score to fall through the floor.



MOTIVATING POTENTIAL SCORE

Autonomy

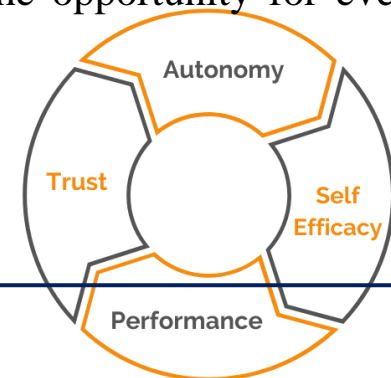
This is all about freedom. This is about allowing the people who do the work to also have a say in *how* it is done. That means a manager, or an operations manual, isn't dictating what they do every minute of the day.

It means increasing responsibility, letting them take calculated risks, and even learning to let them fail. Autonomy doesn't mean chaos, though. Your vision, values, and strategy provide critical boundaries that keep people aligned and moving in the same direction (hint: if you haven't clarified these, too much autonomy could lead to a train wreck).

Autonomy isn't set at the same level for each person, either. Not everyone gets to come out of the gate and work however they want. Generally, the more experience and expertise a person has, the more autonomy they can handle, while still performing with excellence. In other words, this may be a dial that you turn up slowly for a new hire with minimal experience.

The reason that autonomy is so motivating is that it allows us to increase our sense of competence and self-confidence in our work. This *self-efficacy*, the belief in our own ability to succeed, is not only motivating but is strongly correlated with increased performance.

There's a **cycle** here. Greater autonomy leads to greater self-efficacy, which leads to greater performance, which then results in a higher level of trust, giving us the opportunity for even more autonomy, and so on.



MOTIVATING POTENTIAL SCORE

Feedback

The final element is about how quickly and accurately you receive feedback on the quality of your work. When you hear the word “feedback,” I don’t want you to think about some quarterly performance review with your supervisor. This is not a subjective evaluation, but an awareness of the direct effect or consequence of your work.

In a technical setting, like construction, if you cut the board to the wrong length, this becomes apparent very quickly. No ambiguity. The feedback is rapid and precise.

In other settings, feedback is more ambiguous and revolves around factors like customer satisfaction. If you’re an entrepreneur or small business owner, you still have a direct connection to the customer, but this can change pretty quickly as you grow. In a large organization, a worker can be buried so deep that they never have direct contact with the end-user, and they can lose the sense of how their work impacts another person. Some companies ask production workers to periodically spend a day answering phones in the customer service department in order to bridge this gap.

An absence of feedback feels like what you do doesn’t matter. If you mess up and no one notices or you can’t tell what effect it has, there isn’t really any motivation to try and improve what you do. Feedback conveys value.

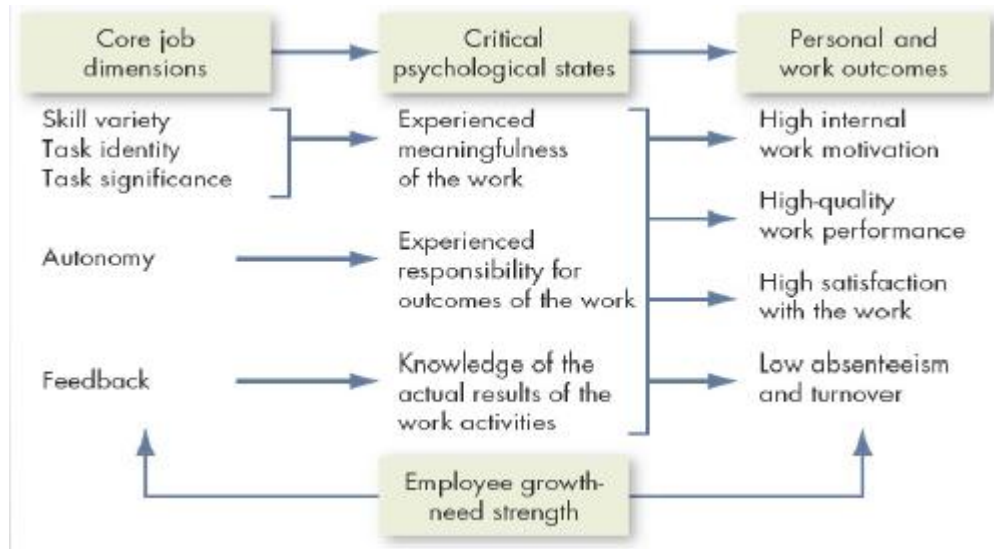


MOTIVATING POTENTIAL SCORE

$$\text{Motivating Potential Score (MPS)} = \left[\frac{\text{Skill variety} + \text{Task identity} + \text{Task significance}}{3} \right] \times \text{Autonomy} \times \text{Feedback}$$

- People who work on jobs with high core dimensions are generally more motivated, satisfied, and productive.
- Job dimensions operate through the psychological states in influencing personal and work outcome variables rather than influencing them directly.

JOB CHARACTERISTIC MODEL



JOB SCHEDULES

Job Rotation

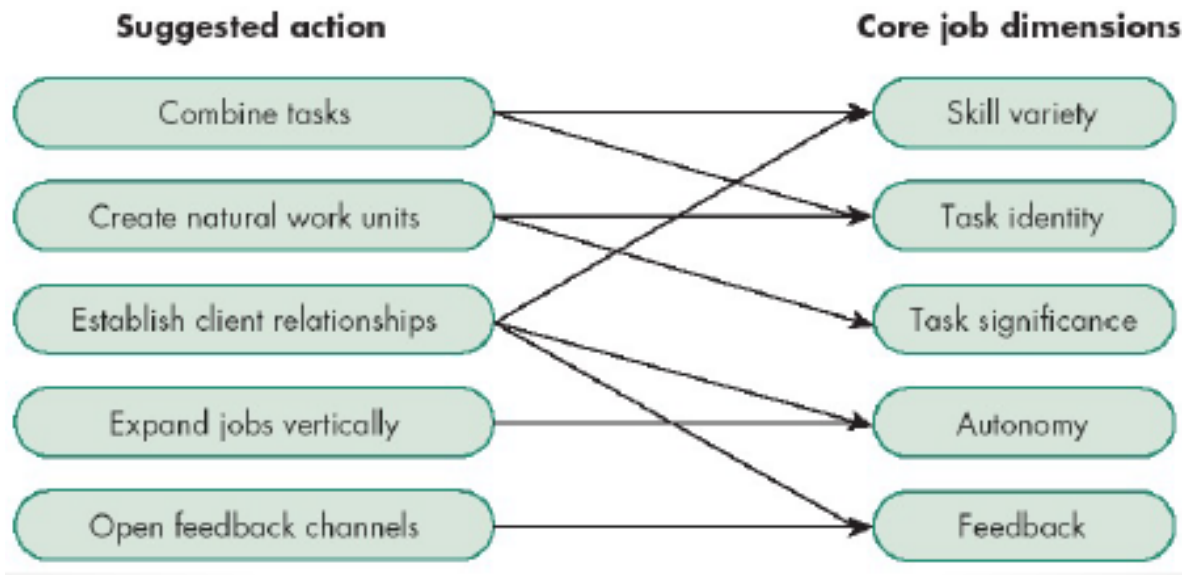
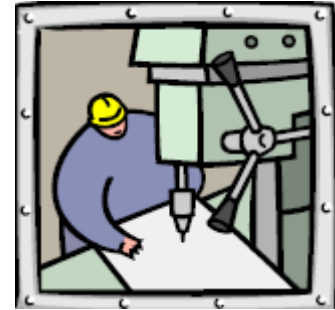
The periodic shifting of a worker from one task to another.

Job Enlargement

The horizontal expansion of jobs.

Job Enrichment

The vertical expansion of jobs.



ALTERNATIVE WORK ARRANGEMENTS

Flextime

Employees work during a common core time period each day but have discretion in forming their total workday from a flexible set of hours outside the core.

Job Sharing

The practice of having two or more people split a 40-hour-a-week job.



EMPLOYEE INVOLVMENT PROGRAMS

Participative Management

Joint decision making in which subordinates share a degree of decision-making power with their immediate supervisors

Representative Participation

Letting workers be represented by a small group of employees who participate in decision making.



ESTABLISHING A PAY STRUCTURE

Piece – Rate Pay

A pay plan in which workers are paid a fixed sum for each unit of production completed

Merit Based Plan

A plan pays for individual performance appraisal ratings

Bonus

A pay plan that rewards employees depending their contribution to the previously set goals rather than historical performance

Profit Sharing Plans

An organization wide program that distributes compensation based on some established formula designed around a company's profitability

Gainsharing

A formula-based group incentive plan that uses improvements in group productivity from one period to another determine the total amount of money allocated

Employee Stock Ownership Plans

A company established plan in which employees acquire stock often at below market price as part of their benefits



GOAL SETTING THEORY (EDWIN LOCKE)

Goal-Setting Theory

The theory that specific and difficult goals, with feedback, lead to higher performance.

Factors influencing the goals – performance relationship:

Goal commitment, adequate self efficacy, task characteristics, and national culture.

Self-Efficacy

The individual's belief that he or she is capable of performing a task.

- **Goal Setting Theory** – based on premise that people are motivated to reach their goals
- Goals help tell how much effort must be exerted
- Goals are most motivating when they are:
 1. Specific
 2. Challenging
 3. Accepted
 4. Feedback provided

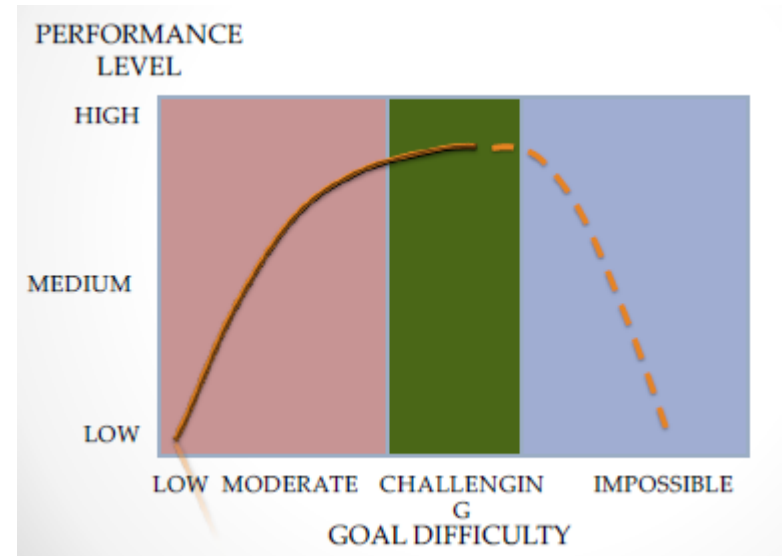
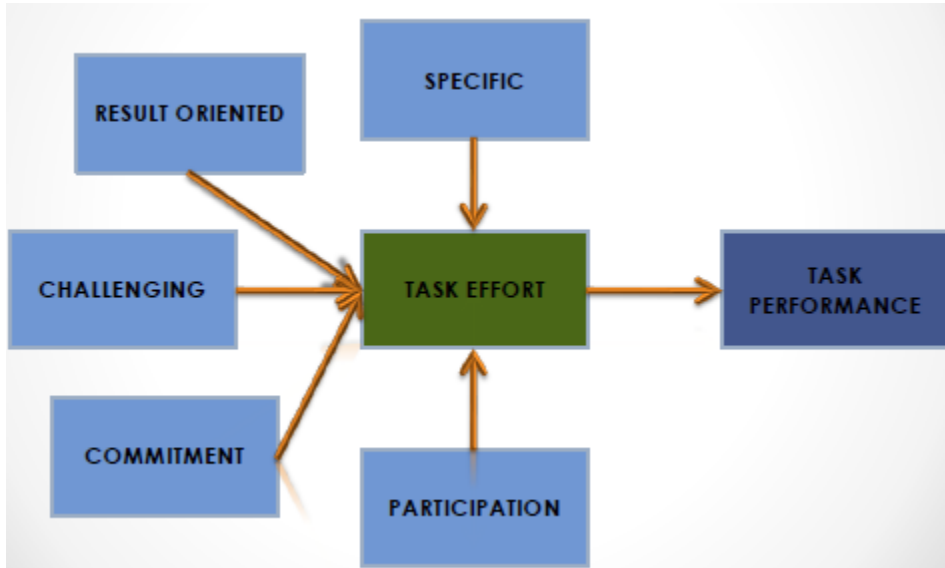


-
- Goals are specific
 - Goals are challenging
 - Workers have necessary ability
 - Feedback is provided

-
- Rewards are clearly understood and provided
 - Management supports goal attainment
 - provides necessary time & resources
 - Goals are internalized and accepted by employees

GOAL SPECIFICATIONS

PERFORMANCE RELATIONS



KEY PERFORMANCE INDICATORS

- “A metric that helps you understand how you are doing against your objectives.”
- “ KPI metrics translate complex measures into a simple indicator that allows decision makers to assess the current situation and act quickly.”
- “A KPI: 1) Echoes organization goals, 2) is decided by management, 3) provides context, 4) creates meaning on all levels of the all-organizational levels, 5) is based on legitimate data, 6) is easy to understand and 7) leads to action!” – *Dennis Mortensen*
- “The most important performance information that enables organizations or their stakeholders to understand whether the organization is on track or not.”
- “Measurements of activity that is a vital gear in your business machine.”
- “High-level snapshots of a business or organization based on specific predefined measures.”
- “Should not constitute every company metric for analysis and evaluation. Rather, KPI’s should reflect the most important objectives of the business.”



PRODUCTION KPI'S

- Actual Production Time: The actual time taken to manufacture.
- Availability OEE: The Actual production time / Potential production time.
- Average cycle time – ACT: Time from the order to the delivery of final ordered product.
- Cycle Time Ratio – CTR: CTR Standard cycle time / the real cycle time.
- Labour cost per unit: Total labour costs / number of units manufactured this period.
- Labour Costs: Labour Costs this period.
- Number of Days: Number of days units are in the production process uncompleted.
- Number of units unfinished: The amount of unfinished units in the production process.

PERFORMANCE EVALUATION

1. **Why** assess performance
2. **What** performance to asses
3. **How** to assess performance
4. **Who** do assess performance
5. **When** to assess performance
6. **How** to communicate performance assessment



WHY TO ASSESS PERFORMANCE

- Correct Performance/Behavior
- Plan for Future (*promotion, transfer, career dev*)
- Facilitate Decision-Making (*counseling, terminations*)
- Facilitate Human Resource Planning
- Create Culture
- Building Good Relationships
- Increase Organizational Loyalty
- Determine Effectiveness of Selection and Placement Methods

HOW TO ASSESS PERFORMANCE

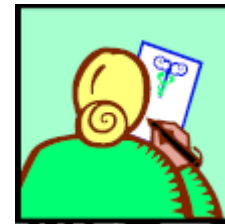
- 360 Degree
- Traditional
- Management-by-Objective
- Assessment Center
- Peer Review Panel
- Critical Events
- Upward Feedback



WHO SHOULD ASSESS PERFORMANCE



Superior Only
Subordinate(s)
Peers/Coworkers
Self
Customers
Others
Stakeholders



TEN COMMON BIAS & EVALUATION BIAS

1. Attribution bias or stereotyping
(Basmakalıp Yargı)
2. Leniency bias
(Hoşgörü Hatası)
3. Severity bias
(Kişisel Etkileşim Hatası)
4. Central tendency
(Merkezi Eğilim Hatası)
5. Cluster tendency
(Kümeleme Hatası)
6. Halo or horn effect
(Hale Etkisi)
7. Recency bias
(Son Döneme İlişkin Değerleme Hatası)
8. Length of service bias
(Kıdeme İlişkin)
9. Opportunity bias
(Görev Dışı Değerleme Hatası)
10. Rating the job instead of the employee
(Hiyerarşik Değerleme Hatası)

GIVING THE PERFORMANCE EVALUATION

- The performance evaluation should be given in a private neutral area
- The evaluation should be directed to the job not the person.
- A self-evaluation opportunity should be given to the employee and gaps should be analyzed.

