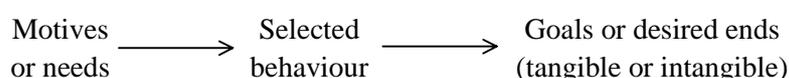


A. WHAT IS MOTIVATION?

People are an organisation's most valuable and expensive resource, but they are the most difficult element of an organisation to manage. You will remember that in the last unit we pointed to the way in which management could be defined as "getting things done through people". This is more easily said than done.

People possess a variety of talents and they will react differently in different circumstances. In fact, in many ways people are unpredictable. This means that, unlike machines, they are not interchangeable, which creates problems for organisations, e.g. a person may work well one day but not the next, or may cope well with pressures one day but fail to cope another day.

Motivation is concerned with WHY people do (or refrain from doing) things. A "motive" is a need or a driving force within a person. The process of motivation involves choosing between alternative forms of action in order to achieve some desired end or goal. As the following formula shows, goals can be **tangible** – such as higher earnings – or **intangible** – such as personal reputation or prestige.



Understanding human behaviour can be a complex matter. A person's motives may be clear to himself but quite puzzling to others. On the other hand, a person may not understand his own motives, even though these may be perfectly clear to a trained observer. On other occasions, both the person concerned and those around him understand what his motives are. It is important for people in management and supervisory positions to understand such alternatives, and to adapt their leadership style accordingly.

B. PEOPLE AT WORK

Work has become an accepted part of the way of life of almost any society. In order to survive, modern man must "*labour by the sweat of his brow*", and he has settled for what Dunlop describes as "*the inevitable and eternal separation of industrial man into managers and managed*".

Human beings have various wants, desires and orientations to work.

In order to satisfy basic human wants, people must earn money and, consequently, they offer their skills in return for work and reward. We might assume that they also endeavour to sell their knowledge, skills and expertise for the greatest reward. However, some value other factors more highly and will accept lower pay in exchange for, perhaps, status or a more "worthwhile" post.

What, then, motivates workers? Material rewards are certainly one aspect. There are, though, many other inducements – for example, the opportunity for distinction and power, desirable conditions of work, a chance to experience pride of workmanship, the feeling of working towards altruistic ideals, pleasant association with others, the opportunity for participation in the course of events, and a feeling of belonging.

We can divide motivation at work into internal and external motivation.

- **Internal Motivation** – This is related to the work, where there is a close identity between the task itself and the human needs, e.g. where a cabinet-maker or motor-fitter derives satisfaction from a job well done.

- **External Motivation** – This is independent of the task, i.e. the task is merely a means to an end; for instance, when a person works on an assembly line to get high wages.

During the Industrial Revolution, work became more specialised and mechanised. Whenever clashes of interest developed, these were resolved in the traditional manner by offering financial incentives and/or threatening the loss of employment – providing external motivation. This traditional “carrot and stick” idea still lingers – the carrot often being money and the stick fear.

- **Money:** The “great motivator”. It is a fact that most people go to work because they get paid to do so. However, this basic need for money will only make a worker turn up and do the acceptable minimum. Money is seen as a prime motivator to improve performance in situations such as the salesperson who earns commission. He/she is motivated to go that extra mile if it will close one more sale and earn an extra 5%, or workers on the factory line work that bit faster where performance related bonuses are used to maintain productivity.

Note that there are a range of other “carrots” – or positive incentives – offered as an incentive to work, or to particular types of performance, including welfare amenities, holidays, etc.

- **Fear:** The “big stick” theory is rather outdated now, but it is still occasionally appropriate to motivate people through fear, e.g. when the future of the company is in jeopardy if a certain task is not completed on schedule then letting staff know this will motivate them to work harder for fear of losing their jobs. This is, however, only a short-term measure as if it is used over a long period or too frequently it will **demotivate** and have the opposite effect.

Other “sticks” – or negative incentives – are those distasteful consequences which a person will wish to avoid, such as reprimands or the possibility of dismissal.

Basic Behaviour Modification

When managers set out to get things done through people they have to ensure that employees perform their work roles effectively and efficiently. The starting point of this effort is basic behaviour modification.

This approach has a simple base, which has been expanded by management theorists. The starting point is that most human beings are influenced in their work performance by the desire for reward and the fear of punishment. An organisation is in the position both to reward and punish its employees. In this simple behaviour model, the organisation does not need to take much account of human differences because most people react similarly to the promise of the rewards for compliance with work rules and the threat of punishment for breaking them.

Management theorists have tended to emphasise the reward side of this model because individuals can be encouraged to become increasingly better workers, while the ultimate punishment is dismissal and the worker is lost to the organisation. The term used for encouraging workers to meet the expectations of the organisation is **positive reinforcement**.

Psychologists identify two types of positive reinforcement: **extrinsic reinforcements of behaviour** – these are the outside influences and rewards such as money, extra holidays, company car, etc; and **intrinsic reinforcements of behaviour** – these are “inside the individual” reward feelings, like finding work interesting, feeling appreciated, etc.

Management has to operate behaviour modification for the advantage of the organisation, so has to take account of the following points:

- The desired behaviour must be defined and explained to the employees so that they know what is expected of them.

- The rewards and punishments need to be defined and explained to the employees.
- A decision must be made whether to use extrinsic or intrinsic reinforcements or a combination of these.
- There must be adequate monitoring of employee behaviour to see whether the reinforcements are having the desired effect.

While experts agree that the model has some sound points, it can be criticised in a number of areas:

- Behaviour in human beings arises from attitudes, i.e. it is how people see the situation that guides their behaviour (e.g. employees may see a reward as a bribe so it may have the opposite effect to the one desired by management).

Thus **attitude change** is the root of behaviour modification and this is a far more complex and difficult task than simple reward and punishment. Attitude research reveals that favourable attitudes may be encouraged by consulting employees, involving them and creating an atmosphere of reasonableness and caring in the organisation. Furthermore, negative attitudes can be reduced by management dealing swiftly with complaints and trying to make work life interesting for employees.

Experience has shown that while the positive reinforcers (rewards) tend to work well, the negative reinforcers (punishments) may make workers hostile and create unfavourable attitudes which persist long after the punishment is over. Resentful workers may on the surface appear to be complying with the wishes of the organisation, but are not really giving of their best at work. Furthermore, when fellow workers see an individual punished it can make them resentful of the organisation and may adversely affect their behaviour.

- The ideas behind behaviour modification take too little account of individual differences of personality; people are not like cogs in a machine.

The criticisms of behaviour modification show that the relationship between individuals and their work lives is a complex one and can contain problems.

Problems of People at Work

Psychologists have used two key concepts to analyse problems which people experience in their work roles.

(a) Alienation

Psychologists use this term to refer to the feelings of an individual when he is estranged from his situation at work. The individual feels that he is surrounded by obstacles that prevent him from fulfilling himself or making progress. Sometimes alienation is focused against the organisation, other times against management or even fellow workers. At its extreme, an individual may become alienated from his true self – this is when his work role is not a true expression of himself, e.g. the salesperson forced to sell goods in which he has little belief or confidence.

Alienation is a state of mind which can arise from unsatisfactory work situations. Management theorists have analysed both the situations at work and the states of mind as follows.

OBJECTIVE WORK CONDITION	RESULTING SUBJECTIVE STATE OF MIND
A lack of power and influence over the work situation. Worker is strictly controlled, and not consulted over decisions which affect him.	Feelings of being powerless, with worker feeling loss of control over his own life.
The worker does not understand the purpose of the work he is called upon to perform.	Feelings that working life is meaningless.
Situations which separate workers from each other – noise, inability to move about the workplace or any factor which inhibits communication among workers.	Feelings of isolation and of being alone in a hostile environment.
Situations which inhibit the use of the whole range of a person’s abilities and talents.	Feelings of self-estrangement, and of not being one’s true self. Feelings of putting on an act.

Modern researchers have set about measuring the level of alienation among workers by using interviews and attitude tests and they have related their findings to the objective conditions under which people work. Alienation theory argues that an alienated worker will not be an effective employee of an organisation; management should therefore try to create work conditions which will not give rise to alienation in their employees.

(b) Anomie

Anomie has certain similarities with alienation in that it is a state of mind which arises in the individual from unsatisfactory work situations. However, the causes of anomie are to be found in the confusion that arises in large organisations. The individual may be faced with pressures and problems at work which he does not fully understand. We can summarise anomie as follows:

OBJECTIVE WORK CONDITION	RESULTING SUBJECTIVE STATE OF MIND
When an individual is not properly integrated into a social or work group.	Loneliness and a sense of isolation.
When the norms which govern social behaviour are unclear, breaking down or contradictory.	Confusion and no clear idea of how to behave.
When there are confusions over values and beliefs.	The individual will have difficulty in recognising right from wrong.

The worker suffering from anomie will not prove to be an effective employee of an organisation. At the individual level anomie is a deep personal disturbance; if whole groups become anomic, there may be a total breakdown of cohesion within the organisation.

As with alienation, modern researchers set about measuring the level of anomie by the use of attitude testing. Their findings can point out any lack of clear leadership and confusion over norms and values, thus guiding management towards correcting the conditions which give rise to anomie within an organisation.

In addition, people at work may experience problems related to status and stress:

(c) Status

Social status refers to the amount of respect paid to an individual. A work role can confer prestige upon a person. Status may be perceived through the possession of symbols, e.g. salary, title of job, work surroundings, dress, company car, etc.

Some management experts have used status symbols as positive reinforcers (rewards). However, status can be very divisive in an organisation, e.g. management dining rooms, car parks, toilets, etc. can cause resentment in those workers not allowed to use these facilities.

Many modern theorists are becoming convinced of the value of the Japanese approach of reducing status differences, e.g. everyone to wear the firm's uniform; single canteen; parking and toilet facilities for all staff, etc.

So, the decision on whether to retain or reduce status symbol differences presents problems for management, while coping with status differences may present problems, too, for employees lower down in the organisation.

(d) Stress

Psychologists define stress as strain experienced by an individual over a period of time which impairs the ability of the individual to perform his role. Stress can produce physical or mental symptoms and can be generated by pressures and problems in the work situation. Furthermore, such symptoms of stress as tiredness, headaches and irritability can lead people into other problems like heavy drinking or excessive smoking which set up a vicious circle by creating even worse physical problems.

Stress in the work situation has many causes, important among which are:

- **Anomie** – here we have one occupational problem, stress, arising from another occupational problem, anomie. When people are confused as to just what is expected of them and just how to go about their organisational goals they are likely to suffer from stress.
- **Alienation** – again stress arises from a work problem. Frustration about an individual's place and worth in the organisation, or blocked progress, can give rise to stress.
- **Role conflict** – if a person finds certain aspects of his work role unattractive while being quite happy with other parts of the job.
- **Personality clashes** – stress may arise from conflicts with supervisors, subordinates and/or fellow workers, particularly if these conflicts are left unresolved.
- **Poor communications** – a lack of good communications can give rise to frustration and feelings of isolation at work and these can cause stress.
- **Conflicting loyalties** – if an individual has too many bosses all calling for attention to their instructions, this can give rise to stress.

The above summary of the causes of stress tells us that we are dealing with a complex problem; it is widespread and can affect people at all levels of an organisation. However, we

must remember that we are talking about high levels of **excessive** stress. Some experts argue that a certain amount of tension at work is functional; they argue that it is possible to be too comfortable and laid-back as this breeds complacency which is good neither for the individual nor the organisation.

Scientific Management Applied to Individuals at Work

The proponents of scientific management saw the problems of people at work as resulting from a failure of management to properly integrate workers into their roles in the organisation. F W Taylor was an early proponent of the dictum that workers should share the same goals as those of the organisation, and the way to achieve this was through the application of scientific management principles. He felt that the scientific approach to organisation and management would be accepted by all as the best way to operate and it would result in everyone getting what they wanted – higher output, higher pay, higher profits. Thus, management and labour would co-operate to accomplish the best results.

The basis of this approach lay in the following principles.

- **Planning**

Many problems of employees arise because their work is not properly planned for them and workers do not know the best way in which their jobs should be done. We can see that this could give rise to anomie – the confusion of the individual in relation to his job. This in turn can generate excessive stress.

In order to combat this situation scientific management puts forward its view that management should plan the jobs of workers and should establish the best way in which each job should be performed.

- **Time and motion study**

Many work-related problems arise because workers do not realise the one best way of performing a task. Management must use time and motion study to establish best practices.

- **Incentives**

Bonus payments and incentive schemes give good workers a sense of making progress, even if it is not possible to promote them.

- **Working conditions**

Management has a responsibility to provide good working conditions so that workers can achieve their full production potential.

- **Training**

Taylor and his followers believed that many of the problems of individuals at work arose because they had not been trained properly, so scientific management emphasises the importance of proper training. Good training not only improves production performance but also builds up the confidence of employees.

We can see that scientific management suggests a range of techniques that can be employed to cope with at least some of the problems that arise when individuals work in organisations.

Human Relations Approach Applied to Individuals at Work

Many of the ideas of Elton Mayo can be deployed to assist the integration of individuals into their work roles. Important among these are the following points:

- Individuals are social beings just as much as economic beings and will only perform well in organisations if their social needs are met.
- Individuals expect to be treated as human beings in the workplace; they expect to be treated with dignity and politeness.
- Individuals like to feel that they have some control over their own work situation; they appreciate being consulted over matters which affect them.
- Good communications are crucial; people have a right to know what is going on in the organisation.
- Grievances should be dealt with quickly; if not, people may brood and discontent festers.
- Individuals value praise when they feel that they have earned it.
- Individuals perform well in a secure environment; they react against uncertainty and threats.
- Within enterprises there is an informal organisation of friendship groups, gossip and generally accepted norms and values. Management should take account of this, e.g. when changing a worker from one job to another.

The major breakthrough of the human relations approach was the realisation that people, unlike machines, are not passive instruments of the organisation who will always pursue organisational goals; in fact they often pursue goals which conflict with those of the organisation. The essence of the practical application of the approach is to try to reconcile the needs of the organisation and the needs of the individual. Figure 2.1 shows the two sets of needs which must be reconciled.

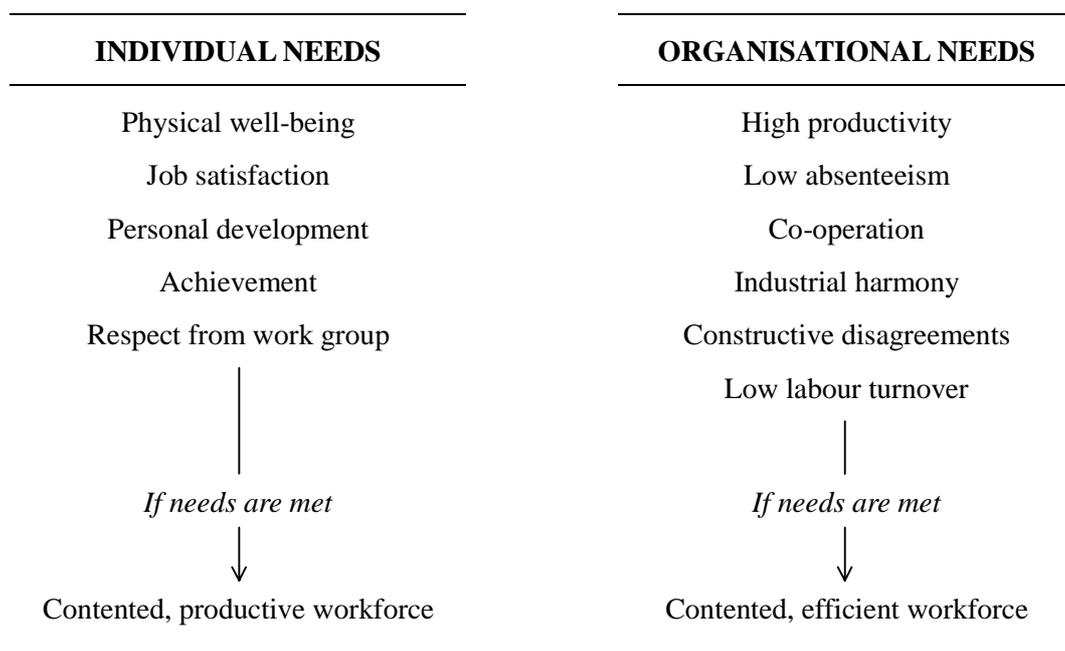


Figure 2.1: Individual and Organisational Needs

Motivating workers involves inspiring them to contribute to the goals of the organisation. How a manager goes about this will depend, to some extent, on what he believes people want from their work.

The manager will set about finding out what motivates the people he/she is managing. There is no simple answer to the problem of motivation, but modern theorists look to ways of going beyond the

simplistic views based on punishment and reward models, although these may still feature, to some degree, in any motivation model that a manager may use.

It is now realised that other influences are often more important, and increasingly, it has been recognised that, for people to behave in a way an organisation demands, there must be an integration of the needs of the people and the demands of the organisation.

To motivate other people to perform to the best of their ability it is necessary to make them want to do it for themselves.

Motivating others means giving them a reason to want to do something and there is a better way than bribes and punishments. Create an environment where they will become **self-motivated**; help them find the impetus from within themselves to work towards their own goals and rewards.

To become a successful motivator of other people you must learn to concentrate on certain factors that make an employee feel good about him or herself, their role and the organisation. These are the factors which improve an employee's level of job satisfaction and include such things as:

- Responsibility
- Challenge
- Self-improvement and personal growth
- Recognition
- Sense of achievement

For the manager to get the best out of those he/she is working with he/she must first appreciate the needs of the staff and their motivation to work. It is a mistake to think that everyone feels the same about the job or the company!

The Concept of Morale

Morale is the state of the individual's or group's complex of attitudes, judgements and feelings about the work situation. We can view morale as covering job satisfaction or dissatisfaction. It is also a person's attitude towards voluntary co-operation to the full extent of his ability in the best interests of the organisation.

Morale is not the same as "happiness". Research shows that not all high-producing workers are happy, and that not all low-producing workers are unhappy.

- **High morale** exists when employees' attitudes are favourable towards their jobs, their fellow workers and the undertaking, i.e. the total work situation.
- **Low morale** exists when employees' attitudes are antipathetic to the attainment of the undertaking's objectives.

C. NEEDS THEORIES OF MOTIVATION

Each human being is an individual, and each individual's behaviour is not entirely (some would say hardly at all!) rational – not always prompted by his conscious mind. However, psychology makes a basic assumption that all behaviour has a cause: a person does something because of a basic underlying reason (which may itself perhaps be irrational, perhaps unconscious, perhaps even such as would be denied if it were suggested as the motivator). There is a cause-and-effect process at work in all human behaviour. The most commonly accepted theory about causation of human behaviour is "need theory".

Maslow's Hierarchy of Needs

An American psychologist, **Abraham H Maslow**, is particularly associated with “needs” theory. In 1954 he published an expansion of the threefold classification of needs, which has found wide acceptance, to the point where the phrase “*hierarchy of needs*” is now commonly used without explanation.

Five Overlapping Needs

Maslow suggested that people are in a continuous state of motivation, and that the nature of that motivation is variable and complex. Further, people rarely reach a state of complete satisfaction, except for a short time. As one need is satisfied, another overlapping need assumes prominence and motivates further effort until satisfied – when yet another clamours, as it were, for satisfaction. Hence, we should think of a sequence or hierarchy of needs, rather than a simple list of human needs driving us on. Read the following from the base upwards:

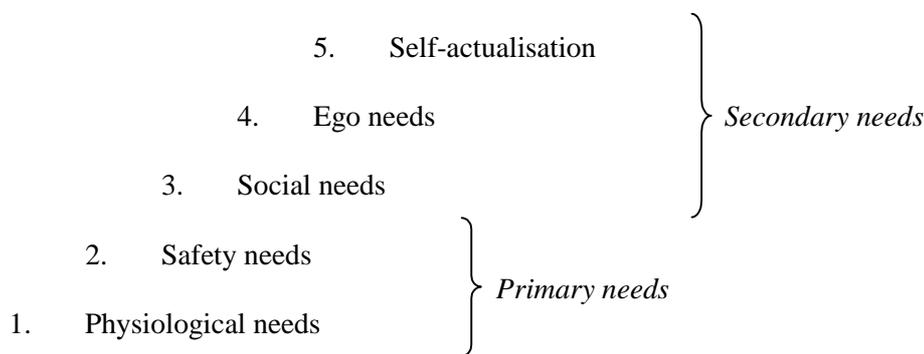


Figure 2.2: Hierarchy of Needs

Now let's look at each of these in turn, beginning with the most basic.

(a) Physiological needs

The obvious basic needs arise from a person's instinct to stay alive and reproduce his kind – for food, water, sleep, sex, etc. In all except the most primitive communities, these needs largely take an **intermediate** form of a need for money.

(b) Safety or security needs

These are a subdivision of the material needs mentioned above (i.e. food, warmth, shelter). Man needs protection from the physical environment – housing of some sort, clothing (for warmth or protection from the sun), defence against natural dangers (animals, insects, germs). In a developed country, security of employment is the intermediate need covering the basic ones.

(c) Social needs (the need to belong or affection needs)

These include the need to love and be loved, the need to give and receive affection, and a need for company and association with other people, extending to co-operation in joint effort. Is this not a powerful factor in the cohesion of work groups?

(d) Ego needs (the need for social status, esteem and self-respect)

People want to feel a certain pride in themselves – that their abilities are tested and proved adequate, that they are achieving something, and that they are useful as individuals. Complementary to this is a need for the respect of others, overlapping the need for belonging and affection. We want appreciation, a measure of acclamation, to be noticed among all the

others and, at least, some degree of prestige and status. We all wish to enjoy the feeling of our worth as persons among other persons.

(e) **Self-actualisation** (the need for personal status, self-realisation and accomplishment)

This need is placed at the top of the hierarchy by Maslow. The person fortunate enough to satisfy the first four needs is still driven on by an urge to accomplish the uttermost of which he feels himself to be capable – to “reach the top” and, once there, to achieve complete success. Maslow describes this need as:

“Man’s desire for self-actualisation to become everything that one is capable of becoming”.

Significance of Maslow’s Hierarchy

The critical feature of Maslow’s analysis is the hierarchy, i.e. his suggestion that, as a need is satisfied, another assumes major importance in an individual’s mind. This concept is now generally accepted.

The various needs are interdependent. The urges for accomplishment and growth emerge only when the most basic needs have been satisfied: “*Man is a perpetually-wanting animal*”, said Maslow.

When the fortunate few get to the ultimate need – self-fulfilment – it seems this is the hardest to satisfy, which means, also, that it can be a most powerful motivator.

The important elements in motivation to work are, therefore, unsatisfied or undersatisfied needs. To be effective, an incentive should be designed and presented in such a way that the person to whom it is offered will see it as a means of satisfying one or more of his needs, and so as his motive for working.

Empirical research carried out since Maslow developed his theory substantiates the existence of the various needs identified in the model. There is little evidence to date, however, that the needs function as a true hierarchy.

The model has excellent applications as an introduction to management thinking on motivation derived from human needs. It also has a place in training programmes for sales personnel, who have to understand the needs of the customer as a first stage in the selling process.

McClelland on Motivation

D C McClelland is another theorist who was, from the early 1960s, concerned with the analysis of human needs. He concentrated on **three** key needs:

- **Need for Affiliation**

The need of human beings for friendship and meaningful relationships.

- **Need for Power**

Some people seek power in their work situations; they wish to make a strong impression on people and events.

- **Need to Achieve**

To many people the sense of “getting on”, progressing or being promoted, is very important.

These three points relate to the functioning of people at various levels of authority in an organisation. People “high up” will have a strong drive for power and making an impact. People in the middle reaches have considerable achievement needs and compete with each other. At the lower levels, the drive for affiliation should be strong.

Herzberg's Two-factor Theory

Frederick Herzberg, writing in the late 1950s and early 1960s, identified two distinct sets of needs in individuals working in organisations: the need to avoid pain and discomfort **and** the need to develop psychologically as a person. He identified two areas of concern for the organisation employing people:

- **Hygiene Factors (or Extrinsic Factors)**

These include working conditions, company policy and administration, status and security of job, supervision, interpersonal relations and pay and salary. If these are not adequate there will be dissatisfaction, and work output will suffer. Drawing an analogy between a healthy organisation and a healthy person, Herzberg called these hygiene factors, in the sense that they prevent the “disease” of job dissatisfaction.

- **Motivators**

Under this heading, Herzberg included achievement of work tasks; recognition by supervisors of achievement and quality of work; the giving of increased responsibility as a reward for successful work efforts; the opportunity for psychological development in the work role and growth. Since these are the characteristics that people find intrinsically rewarding, people will work harder to satisfy them through their job.

We can present Herzberg's two-factor theory in the following table:

Hygiene Factors (Dissatisfiers)	Motivators
● Pay	● Achievement
● Fringe benefits	● Recognition for achievement
● Quality of supervision	● Meaningful, interesting work
● Company policy and administration	● Advancement
● Working conditions	● Psychological growth
● Interpersonal relationships	

It is important to understand that the hygiene factors and motivators are not mutually exclusive in their effects. Herzberg acknowledges the short-term motivational impact of a pay rise or an improvement in working conditions. These are, however, short lived. Once hygiene factors are enhanced, the worker will sublimate back to the original level of output. In Herzberg's words, “*a reward once given becomes a right*”. To achieve genuine long-term motivation, it is necessary for the leader to focus on the motivators.

Herzberg proposes several ways in which a higher level of motivation might be promoted:

- Good quality training – the more a person can do, the more that person can be motivated.
- Focus on quality of communications, rather than quantity – communication should be direct whenever possible.
- Job rotation – improving the variety of tasks and responsibilities.
- Job enlargement – making a person capable of more.

- Job enrichment – creating meaningful, interesting work – Herzberg believes that it is difficult or impossible to achieve true motivation if the job is basically dull, repetitive or uninteresting.

In Herzberg's model it is possible to avoid job dissatisfaction without necessarily achieving job satisfaction. This is possible where an organisation meets a high level of hygiene factors but fails to provide a high level of motivators.

Plausible though it sounds, in recent times Herzberg's theory has been somewhat discredited, for two main reasons:

- His own data, which was limited, did not support it.
- Other data does not support it.

Despite its shortcomings, the theory continues to attract a great deal of attention and it has stimulated developments in work structuring.

D. MODELS OF BEHAVIOUR AND MOTIVATION

McGregor's Theory X and Theory Y

Douglas McGregor developed a typology of two opposed views about employee behaviour, related to Maslow's categories of need, and considered their implications for management and motivation. The two views are known as Theory X and Theory Y.

(a) Theory X

The starting point of McGregor's approach was to postulate a view of employee behaviour based on managers and industrial theorists who saw workers as totally rational economic individuals. This perception rested on two key assumptions. Firstly, workers were rational beings, able to gather information about, and assess, their work situations. Secondly, having assessed the work situation, workers would be economically activated to optimise their position in the labour market; this they would do by selling their labour at the highest unit labour price. Workers would aim to obtain the highest possible pay for the least possible input of work effort. Hence, the economically rational worker would seek to push up wages and/or cut down hours of work – ideally he would try to do both.

This traditional approach of management, which accepts the worker as a lazy, grasping individual who must be bribed or coerced into working, McGregor called Theory X. It rests on the following assumptions:

- The average human being dislikes work.
- The average human being will avoid work whenever possible.
- Not only is the average employee lazy but he/she also lacks ambition and does not wish to take on responsibilities.
- Because of the above characteristics, employees must be strictly controlled and directed.
- Control of employees must be backed by coercion and threats if the objectives of the organisation are to be achieved.
- The average person prefers to be directed, and not to have to think deeply for himself in the work situation.

McGregor took issue with Theory X, on the following points:

- Complete rationality of thought is rare in human beings, so it is a mistake to view the average worker as “rational economic man”. Social science research has revealed that many other influences play a part in shaping behaviour in the workplace. There are considerable individual differences between workers; also feelings, attitudes, norms and values all influence the conduct of employees. Any meaningful models of employee behaviour should be drawn from the work of modern social scientists and not from the traditional views of management.
- McGregor disputes the need for strict controls backed by threats; he argues that in many cases persuasion, consultation and discussion between management and workers are far more effective ways of achieving organisational goals. He goes on to argue that modern organisations are characterised by interdependence between management and workers and that this has to be recognised if the organisation is to prosper.
- Because management’s view of the nature of man is wrong, much of the action taken by management is also wrong. Frequently management’s policies run counter to the human nature of employees as revealed by social science research, and this can have disastrous results for the organisation.
- Because management is convinced of the laziness and irresponsibility of the workforce, it places most of the blame on the workers when things go wrong. McGregor argues that once this blinkered view of the nature of workers is broken, then managers can begin to question the efficiency and appropriateness of their own methods and styles of management.

To sum up, McGregor sees as the basic fault of Theory X the fact that it is based on a false idea of human nature. All the rest of the theory follows logically if the human nature model is correct, but research proves the model to be wrong, therefore the whole theory is wrong.

(b) Theory Y

McGregor then put forward the set of assumptions which modern managers should act upon. He calls this Theory Y.

- The physical and mental effort people put into work is a natural human response; it is similar to the effort individuals make in games and sport. Hence, work can be enjoyable.
- Employees do not have to be controlled or threatened; they have reserves of self-control and self-motivation once they feel committed to the objectives of the organisation.
- Given the opportunities and training, employees will not only take, but also desire and seek, responsibilities.
- Employees have reservoirs of imagination, creativity and ingenuity, and given the right environment and encouragement they will use these to help solve problems in the work situation.
- In some modern organisations the potential of employees is not fully utilised; not only is this a waste of resources, but it is also causes frustration among the workforce. Hence, when workers do not co-operate to achieve organisational goals, the fault may lie in the structure of the organisation rather than in the workers.

To sum up Theory Y, McGregor argues that management should assume that in many cases employees will contribute more to the organisation if they are treated as responsible, valuable and industrious people. Management should reduce controls but retain accountability, i.e. they

should replace direction and threats with the giving of responsibility. The workplace should allow the worker to gain satisfaction in the pursuit of objectives to which he is committed.

Critics of McGregor have argued that some aspects of Theory Y are not practical, and that there is more truth in Theory X than McGregor cares to admit. However, many management theorists have pointed to the growing amount of evidence from research by social scientists that supports Theory Y. We can say that McGregor has made an important contribution to our understanding of management and workers in modern organisations.

Let us for a moment relate McGregor directly to Maslow. To satisfy social, egotistic and self-fulfilment needs, management should apply Theory Y in the organisation. The four most basic elements of Theory Y are as follows:

- **Decentralisation and delegation** should take place in organisations where there are too close controls. This would give employees a degree of freedom to direct their own activities and assume new responsibilities.
- **Job enlargement** should be introduced to encourage the acceptance of responsibility at the lower end of the organisation (see later in this study unit).
- **Participation and consultative management** should be used to encourage people to direct their creative energies towards organisational objectives and to give employees some voice in decisions that affect them.
- **Performance appraisal** for all levels of management should be carried out to find out how consistent management is with Theory Y. This will encourage the individual in management to take greater responsibility for planning and appraising his own contribution to organisational objectives. The effect of this on egotistical and self-fulfilment needs is said to be quite substantial.

Ouchi's Theory Z

William Ouchi agreed with the basic ideas put forward by McGregor's Theory Y and related these to certain of the ideas he detected in Japanese organisations.

Ouchi's theory argues that **participation** is a crucial motivator. Employees will be motivated to higher levels of performance if they are involved in meaningful participation in decision-making in their organisation. Employees should participate in groups and enter into consultations with management to sort out problems and put forward ideas.

Ouchi took the idea of quality circles and developed it far beyond a concern for the quality of goods and services produced by the organisation (important though this is). He said that the circles should be a forum for employees' ideas and a way in which employees could really influence the running of the organisation. He concluded that a participating employee would be a well-motivated employee.

We shall look in more detail at the concept of quality circles later in the course.

Participative Management

The culmination of human relations and human behaviour approaches is presented by McGregor as **participative management style**. Under this style of management employees feel valued and are treated as individuals in the workplace. McGregor argues that if employees do not feel valued some of them will spend more time and effort in attempting to defeat management's objectives than they would in achieving them.

Participative management style is directed towards encouraging workers to be self-motivated as far as possible in a given work situation; management tries to create an atmosphere of co-operation rather than merely depending on rules and regulations.

Participative management tries to involve employees in decision-making, following the ideas of Ouchi and techniques like quality circles. The whole basis of the participative style of management is to do away with the “them and us” mentality in an organisation.

E. PROCESS THEORIES OF MOTIVATION

Needs theories try to identify the integral desires that influence behaviour – they are concerned with the nature and context of motivating factors. By contrast, “process” theories concentrate on elucidating the thought processes through which individuals determine their course of action. They attempt to show how individuals determine the amount of effort that needs to be exerted.

Expectancy Theory

This is a cognitively-based motivational theory, put forward by V H Vroom. According to this theory the strength of a tendency to act in a certain way depends on the strength of our expectation that the act will be followed by a given outcome, and on the attractiveness of that outcome to us.

- **Attractiveness**

This is the importance we place on the potential outcome or reward that can be achieved on the job. This will consider the unsatisfied needs of the individual.

- **Performance-reward linkage**

This is the degree to which we believe that performing at a particular level will lead to a desired outcome.

- **Effort-performance linkage**

The probability which we perceive that exerting a given amount of effort will lead to performance.

Expectancy theory may sound complex but it is useful as a framework for diagnosis and identification of changes needed to increase motivation. The strength of people’s motivation to perform (**effort**) depends on how strongly they believe that they can achieve what is attempted. If they achieve the goal (**performance**), there is the question of whether they will be adequately rewarded. If rewarded by the organisation, will the reward satisfy their needs? The theory can be expressed by the formula:

$$\text{Motivational force (F)} = \text{Valency (V)} \times \text{Expectancy (E)}$$

Valency is the value of the outcome to the person; **expectancy** is the perceived likelihood of the outcome. To understand this best, think what happens if either valence or expectancy are equal to zero.

The importance of this approach is the emphasis that it places on the individuality and variability of motivational forces, as distinct from the generalisations implied in the theories of Maslow and Herzberg.

Porter and Lawler developed expectancy theory in the 1970s. They suggest that amount of effort (motivation and energy exerted) put into work depends on:

- The eventual reward
- The amount of effort necessary to achieve that reward

- How probable it is that the reward will be forthcoming

In turn the perceived effort and probability of getting a reward are influenced by past experience of whether such rewards have materialised.

Equity Theory or Adam's Social Exchange

Theoretically, pay should be a very convenient motivating force. Why, then, do relatively few organisations deliberately use pay as a motivator?

Most organisations see pay as compensation, and many managers are rewarded not for particular results but for **seniority** and **experience**. Seniority is the reward for success, and pay follows seniority. Rarely does a boss earn less than his or her subordinate(s).

There must be large differentials in levels of pay, otherwise pay will not work as an incentive. In their worry over differentials, organisations are very secretive about pay levels, which can be self-defeating. Lacking knowledge of pay, individuals make estimates of other people's wages and feel they are less well paid. Organisations also follow rules for equity. This means paying a rate for the job, rather than paying the employee for results. In a sense, it is not money that is a hygiene factor, as Herzberg argues, but **equity**.

Adam's social exchange, or equity, theory suggests that evaluation of rewards is based partly on comparisons with others. If we perceive our ratio to be equal to that of others with whom we compare ourselves (**referents**), a state of **equity** is said to exist. If the ratios are unequal, **inequity** exists. We see ourselves as under-rewarded or over-rewarded.

The equity theory is not without its problems. There are still some key issues which are unclear, such as:

- How do employees select who is included in the **other** referent category?
- How do they define inputs and outputs?
- When, and how, do factors change over time?

Attribution Theory

Kelley's attribution theory examines the way in which people explain success or failure, and the impact on subsequent motivations.

Four variables are frequently used:

- Ability
- Effort
- Task difficulty
- Luck

For motivational purposes, effort is the key factor. If success or failure are explained in terms of the level of effort, then it is possible that high motivation may follow. On the other hand, failure to obtain promotion, say, may be attributed to difficulty and luck. Since it is out of their individual control, people may give up trying to perform well. Attributions may be subject to distortions to protect or enhance their self-esteem.

The attribution theory is extremely relevant when we consider how people judge others.

Handy's Motivational Calculus

Handy looks at motivation as though when a person takes a decision, he or she gives attention to three sets of factors:

- (a) The individual's personal needs
- (b) The desired outcome or results
- (c) The E factors:
 - Effort
 - Energy
 - Excitement in attaining the desired outcome
 - Enthusiasm
 - Emotion
 - Expenditure

The motivation decision will depend on:

- (a) The strength of the person's needs.
- (b) The expectation that by contributing one of the Es, the individual will achieve one of the desired results.
- (c) The extent to which the result will contribute to satisfying the person's needs.

There are certain prerequisites for the calculus to be completed:

- The individual must be made aware of the intended results – it will then be known what has to be done and the commensurate rewards as well as how much E is necessary.
- If actual results are not known, the individual will not know whether the E output was justified, so feedback on performance is vital.

Handy's theory can be accused of gimmickry, but it does help us understand that we need to set specific goals, preferably on a mutually-agreed basis. The theory also suggests that rewards can be tied to standards. These standards can be variable, so a lesser expenditure of E will lead to lesser standards and hence rewards.

The theory also goes some way to taking some elements of the simpler content theories (such as needs, derived from Maslow) and the more modern process theories of Vroom and others.

Psychological Contracts

A psychological contract is the perceived relationship between the individual and the organisation, and involves the various factors which bind the individual to the enterprise. They relate to the way people feel about the organisation for which they work. The concept is essentially a dynamic one – the nature of the contract will change over time and will be influenced by many variables. It will also influence the factors which will motivate the individual.

Three examples of psychological contracts are:

- A **coercive** psychological contract exists when a person works because they are forced to do so. They may be tied into the job because the salary and fringe benefits prevent them from moving elsewhere – they might not be able to achieve the same package from another employer and

would have to lower their standard of living. Alternatively their age may render them relatively immobile.

- A **remunerative** psychological contract exists when a person works for the money. The person may tolerate the job in order to attain the lifestyle it provides. This differs from the coercive contract - the remunerative contract may bind the person in the short term, only to be severed if a better deal is available elsewhere.
- A **collaborative** psychological contract is one in which the worker is bound to the organisation by a belief that personal objectives can best be attained by enabling the organisation to fulfil its objectives. From an employer's point of view, this is more likely to result in having a highly motivated workforce. The person's desire to achieve can facilitate the company's performance objectives.

As stated above, psychological contracts can change radically. In managerial and clerical professions, "delaying" and "down-sizing" have become common features, with middle managers being sacrificed in pursuit of greater cost-efficiency. Large-scale redundancies in hitherto "safe" jobs can change the nature of the forces which bind the person to the organisation. A study in 1994 by the Working Transitions outplacement consultancy suggested that redundancy programmes not only affect the values, beliefs and drives of those who lose their jobs, but also those who remain with the employer. Managers therefore have to be conscious of these changes in order to manage in an increasingly volatile climate.

Professions which have been affected in this way include many branches of the Civil Service, banking institutions and many organisations which have been through mergers and acquisitions.

F. EXCELLENCE THEORY AND MOTIVATION

Excellence theories originate in the works of writers in the early 1980s, principally based on the work of **Tom Peters and Robert Waterman**. The nature of these ideas is essentially one of observing successes and failures in actual business scenarios and attempting to draw universal lessons which can then be applied elsewhere. In other words, these are empirical studies.

Peters and Waterman did not set out to write specifically on motivation, but their work comments much on the ability of successful companies to get a high level of commitment from their workers. Among their conclusions were:

- Original ideas and ingenuity are grossly under-utilised. **Drucker's** idea of the "intrapreneur" (the original thinker and innovator) was extended to suggest that if such persons are employed, their gifts should be harnessed for the benefit of the organisation. The book cites one example where a company developed a successful product when it was discovered that a manager was working on it privately on an out-of-hours basis. In order for this to be done successfully, with the commitment of the person concerned, the individual has to see the benefit of putting all his energy into the organisation.
- Peters and Waterman claim that they originally wanted to call their book "*Management By Wandering Around*". To motivate workers, it is necessary to get close to the workers and understand the issues affecting them as well as their drives and motivations.
- They believe that workers respond more positively when they feel more in control of their destiny. In one control group experiment, two teams were given the task of proof-reading some text material against a noisy background of a tape containing foreign speech, loud music and other distractions. One group had a button to cut off the noise whilst the other did not. The

group with the button made far less errors than the other group. It was found, however, that no one had pressed the button! The fact that the workers **felt** in control made them work more effectively. Peters and Waterman record a direct application of this in a Ford Motor Company plant whereby any worker could (temporarily) stop the assembly line. This had stunning results in terms of increased productivity and reduced defect rates.

There are obvious lessons to be drawn from empirical theories, even though some of the ideas are really just common sense codified. For example, Peters and Waterman noted that companies who treat their staff and customers with respect and decency tend to do better than those who do not, though it is surprising to note the extent to which the authors feel that the latter are common today. By applying the lessons of the successful companies, others can usually benefit to some degree.

The empirical theories have several drawbacks:

- What is successful today may not be so tomorrow. Of the 43 excellent companies identified by Peters and Waterman, at least 11 did not fit the “excellence” criteria only five years later.
- It is not always possible to translate successful practices across cultures. Successful US motivation techniques may not apply in the UK or vice versa, and some of those of the Far East and Europe would be totally incompatible.