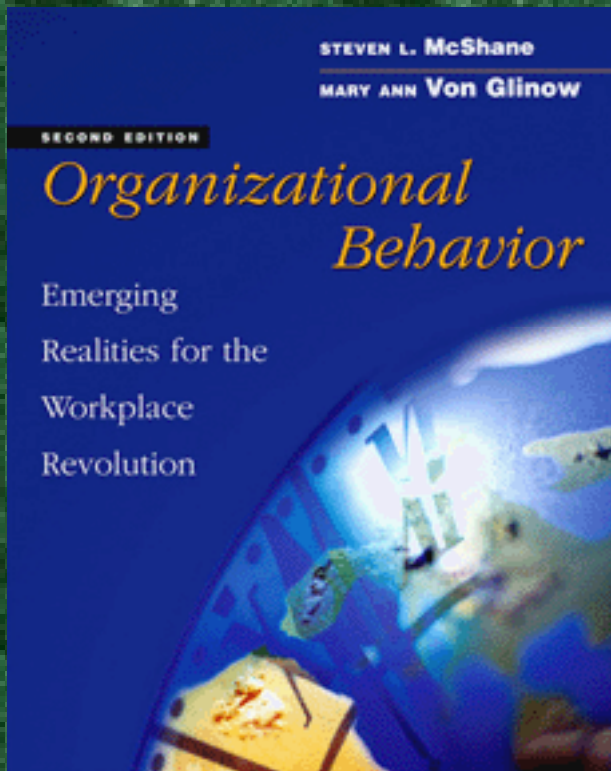
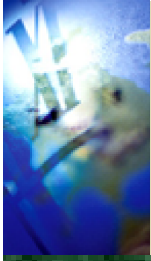


CHAPTER

5



Foundations of Employee Motivation

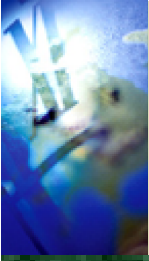


Motivation at Capital One

Capital One has a motivated workforce by hiring people with an entrepreneurial spirit, challenging them through stretch goals, and continually evaluating individual and organizational performance.



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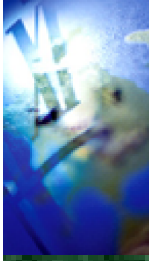


Challenges of Motivating Employees

- Layoffs, restructuring
 - Damaged trust, commitment
- Flatter organizations
 - Fewer supervisors to monitor performance
- Changing workforce
 - Younger staff have different needs
 - Diverse workforce variety of motivation practices



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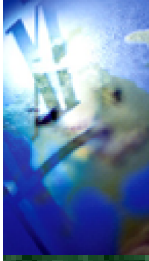
Content vs. Process Motivation Theories

■ Content theories

- explain why people have different needs at different times

■ Process theories

- describe the processes through which needs are translated into behavior



Needs Hierarchy Theory

Needs Hierarchy Theory

Self-Actualization

Esteem

Belongingness

Safety

Physiological

- Maslow arranged five needs in a hierarchy
- Satisfaction-progression process
- People who experience self-actualization desire more rather than less of this need



ERG Theory

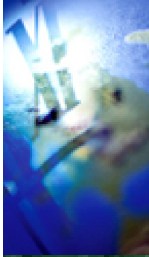
Needs Hierarchy Theory



ERG Theory



- Alderfer's model has three sets of needs
- Adds frustration-regression process to Maslow's model



Content Theories of Motivation

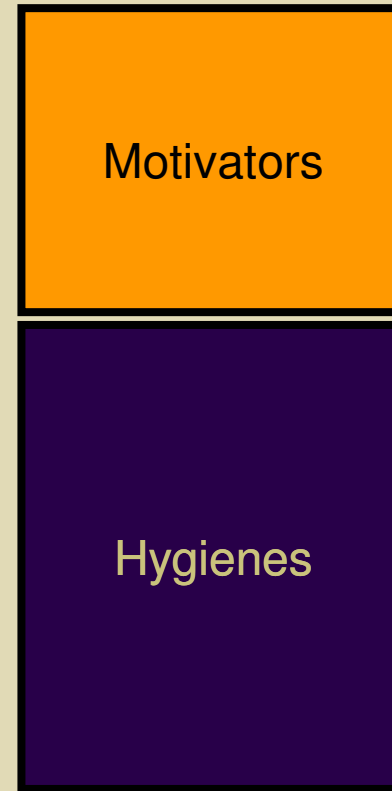
Needs Hierarchy Theory



ERG Theory

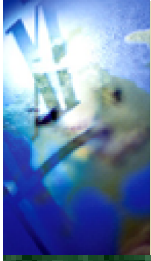


Motivator--Hygiene Theory



McClelland's Learned Needs



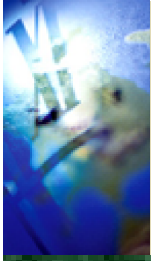


Pamela Grof's Need for Achievement

Pamela Grof's high need for achievement is apparent from her many business initiatives since the age of 12. "I come from a very entrepreneurial family," explains Grof, who founded web design company InterVisual in Calgary, Canada.



© K. Morison/Calgary Herald



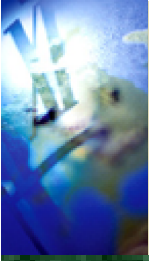
Creating a Company of Entrepreneurs

Companies support entrepreneurship by:

1. clarifying the firm's purpose and shared values
2. supporting and reinforcing entrepreneurial behavior
3. creating small businesses within the larger organization



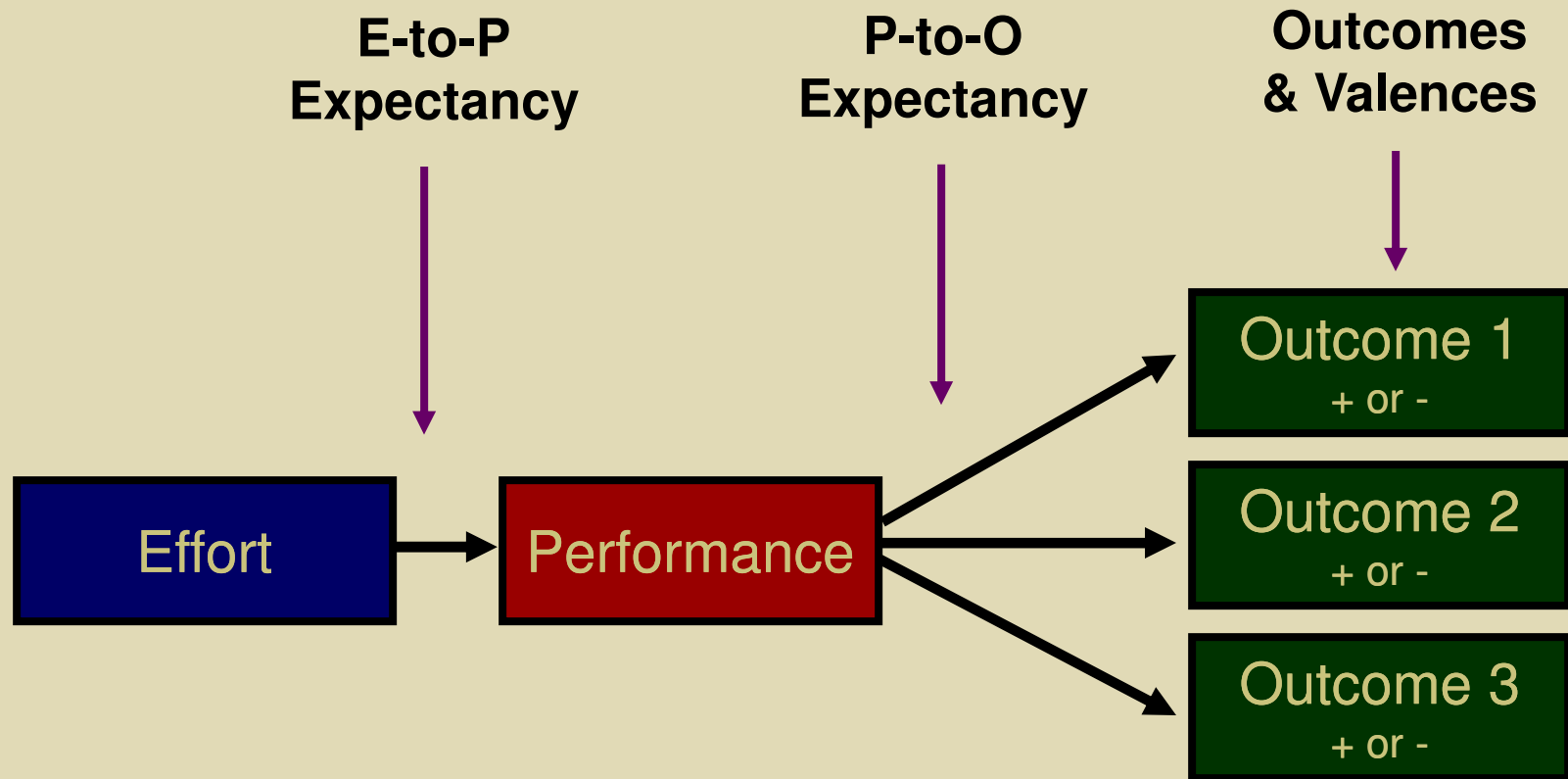
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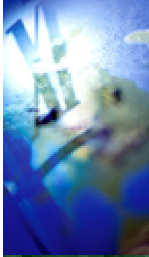


Implications of Content Theories

- Match rewards with employee needs
- Offer employees a choice of rewards
 - people have different needs at different times
- Limit use of financial rewards as a source of motivation

Expectancy Theory of Motivation



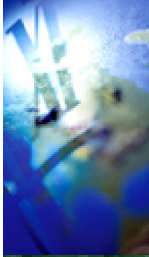


Expectancy Theory in Practice

- Increasing the E-to-P expectancy
 - training, selection, resources, clarify roles, provide coaching and feedback

- Increasing the P-to-O expectancy
 - Measure performance accurately, explain how rewards are based on past performance

- Increasing outcome valences
 - Use valued rewards, individualize rewards, minimize countervailing outcomes

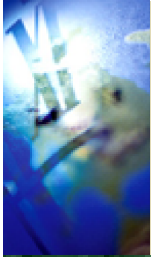


Elements of Equity Theory

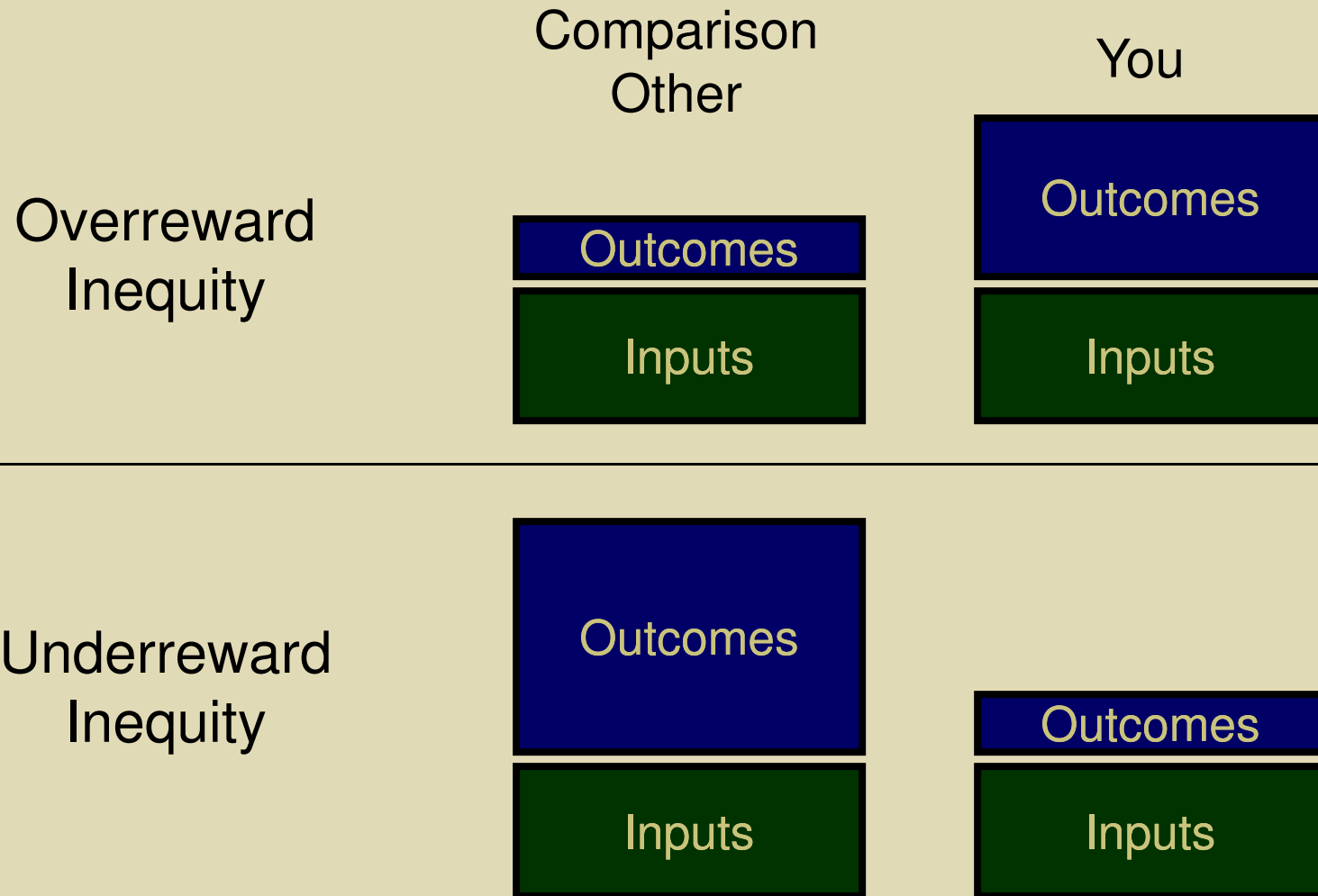
- Outcome/input ratio
 - inputs -- what employee contributes (e.g. skill)
 - outcomes -- what employees receive (e.g. pay)

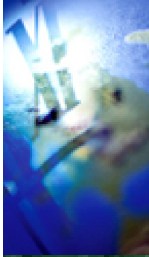
- Comparison other
 - person/people we compare ratio with
 - not easily identifiable

- Equity evaluation
 - compare outcome/input ratio with the comparison other



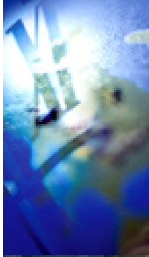
Overreward vs Underreward Inequity





Consequences of Inequity

- Change inputs
- Change outcomes
- Change perceptions
- Leave the field
- Act on the comparison other
- Change the comparison other



Equity Sensitivity

- Benevolents
 - Tolerant of being underrewarded

- Equity Sensitives
 - Want ratio to be equal to the comparison other

- Entitleds
 - Prefer receiving proportionately more than others



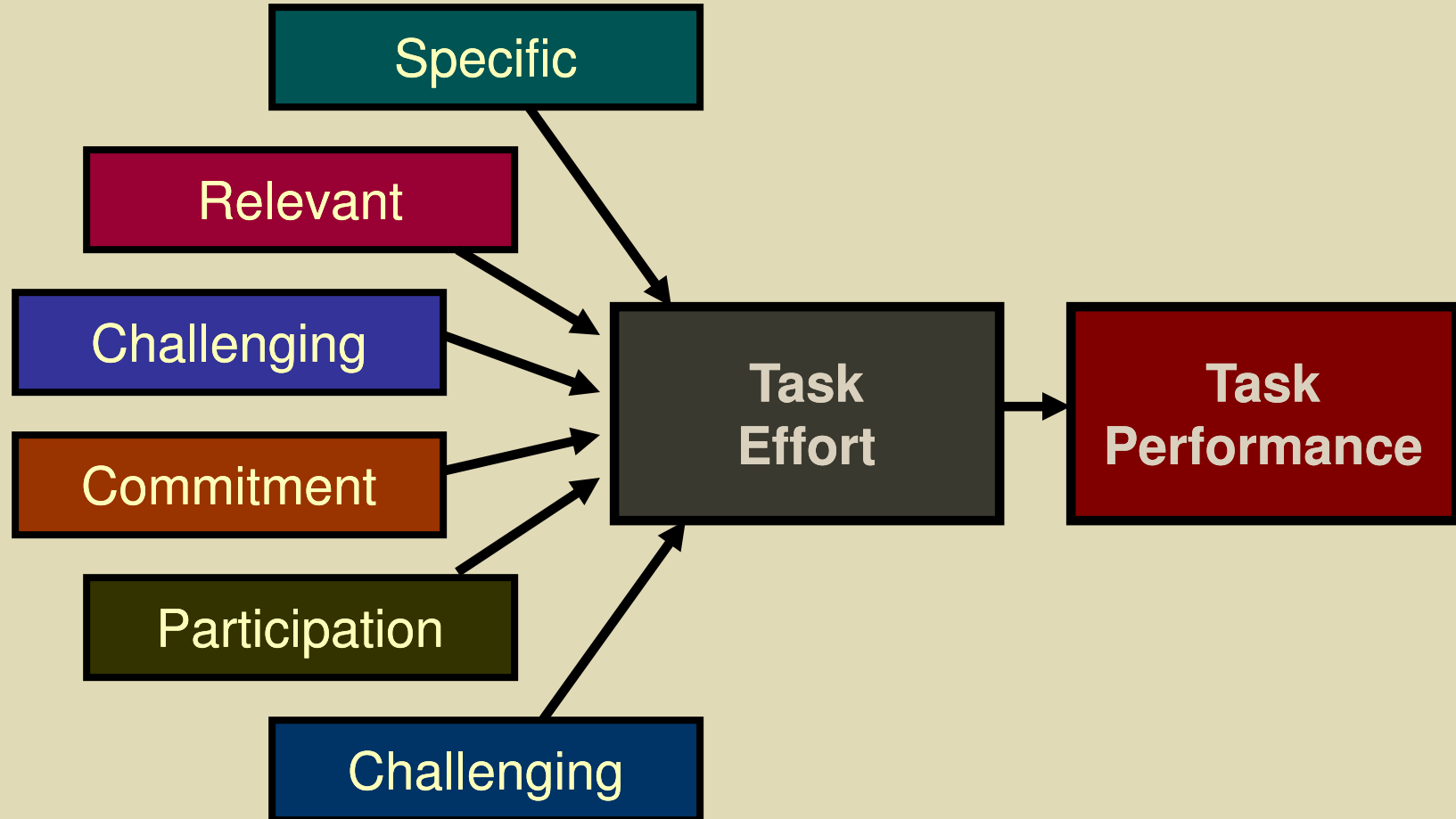
Goal Setting at CDW Computer Centers

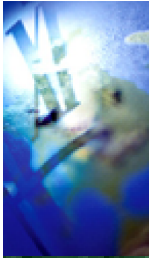
CDW Computer Centers has become a leading direct marketer of computers and peripherals by setting specific, challenging goals for its employees. “We set BHAGS -- which are big, hairy aggressive goals,” says CEO John A. Edwardson (shown here).



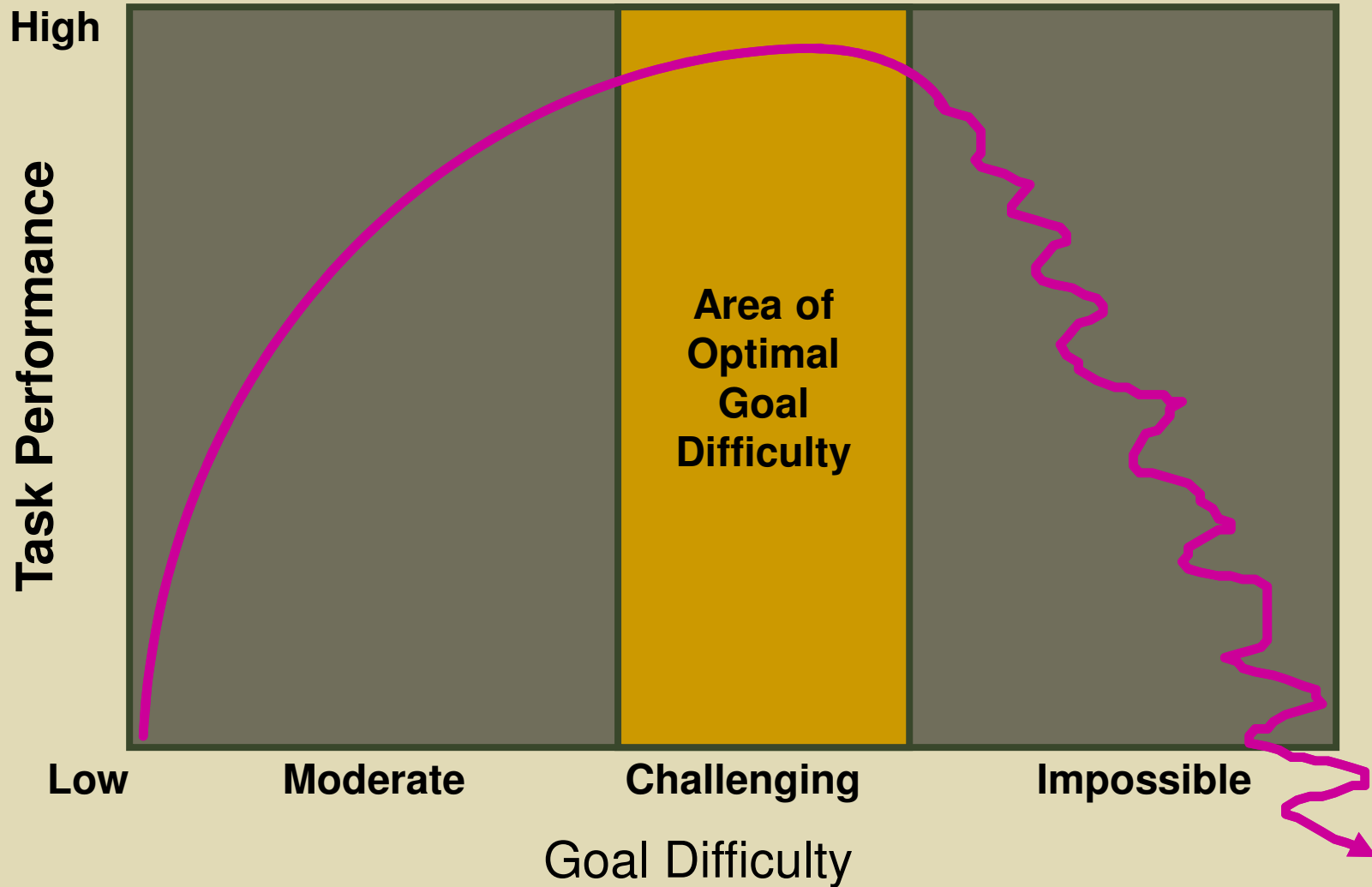
© J. Robinson/ Chicago Tribune

Effective Goal Setting



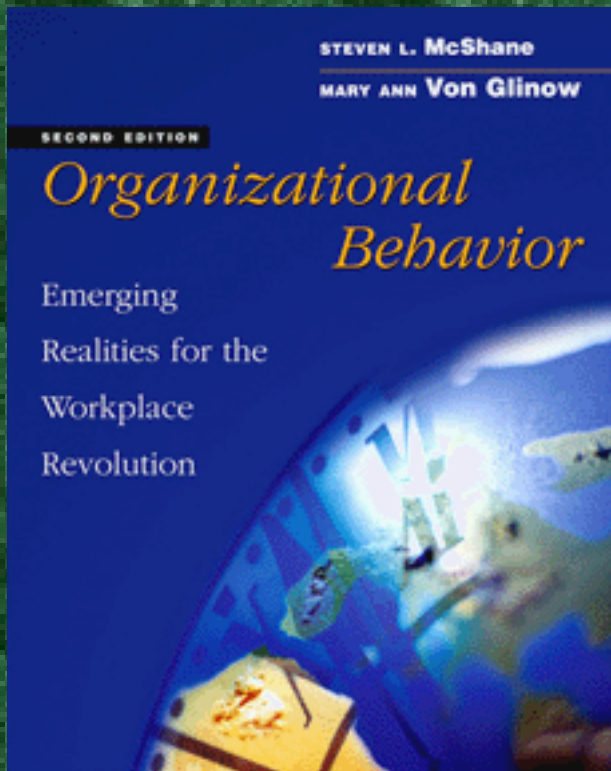


Effect of Goal Difficulty on Performance



CHAPTER

5



Foundations of Employee Motivation