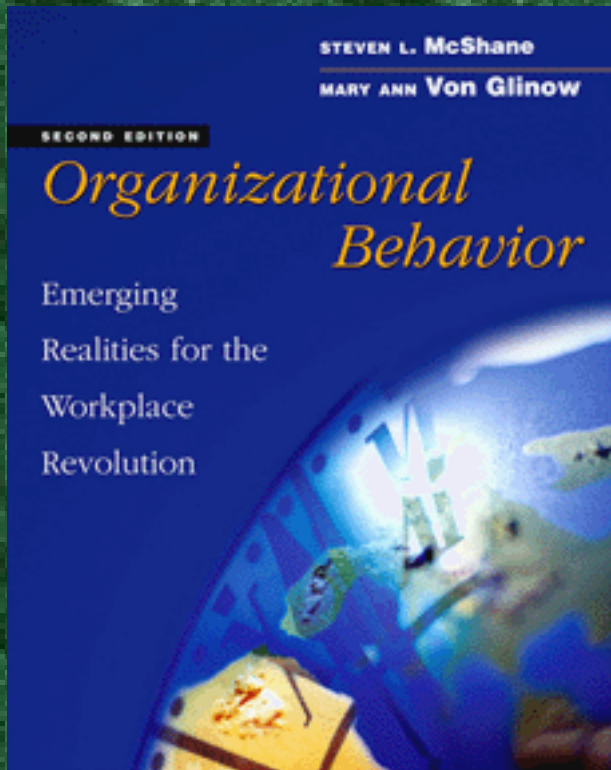


CHAPTER

6



Applied Motivation Practices



Rewarding Employees at IKEA

IKEA held a special bonus in which the Scandinavian home furnishings company pledged an entire day's sales revenue to employees. The day doubled previous sales records and awarded each employee \$1,800.



Courtesy of IKEA

The Meaning of Money



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- Money and employee needs
 - affects several needs, not just existence needs
- Money and attitudes
 - Money ethic -- not evil, represents success, should be budgeted carefully
- Money and self-identity
 - Influences our self-perceptions
 - Evidence that men more than women identify with money

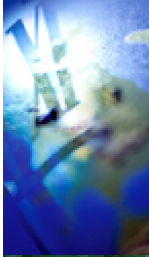


Types of Rewards in the Workplace



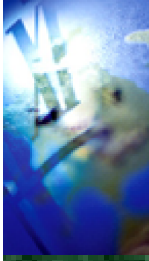
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- Membership and seniority
- Job status
- Competencies
- Performance



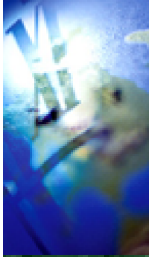
Membership/Seniority Based Rewards

- Fixed wages, seniority increases
- Advantages
 - guaranteed wages may attract job applicants
 - seniority-based rewards reduce turnover
- Disadvantages
 - doesn't motivate job performance
 - discourages poor performers from leaving
 - may act as golden handcuffs



Job Status-Based Rewards

- Includes job evaluation and status perks
- Advantages:
 - job evaluation tries to maintain pay equity
 - motivates competition for promotions
- Disadvantages:
 - employees exaggerate duties, hoard resources
 - creates psychological distance across hierarchy
 - Inconsistent with flatter organizations

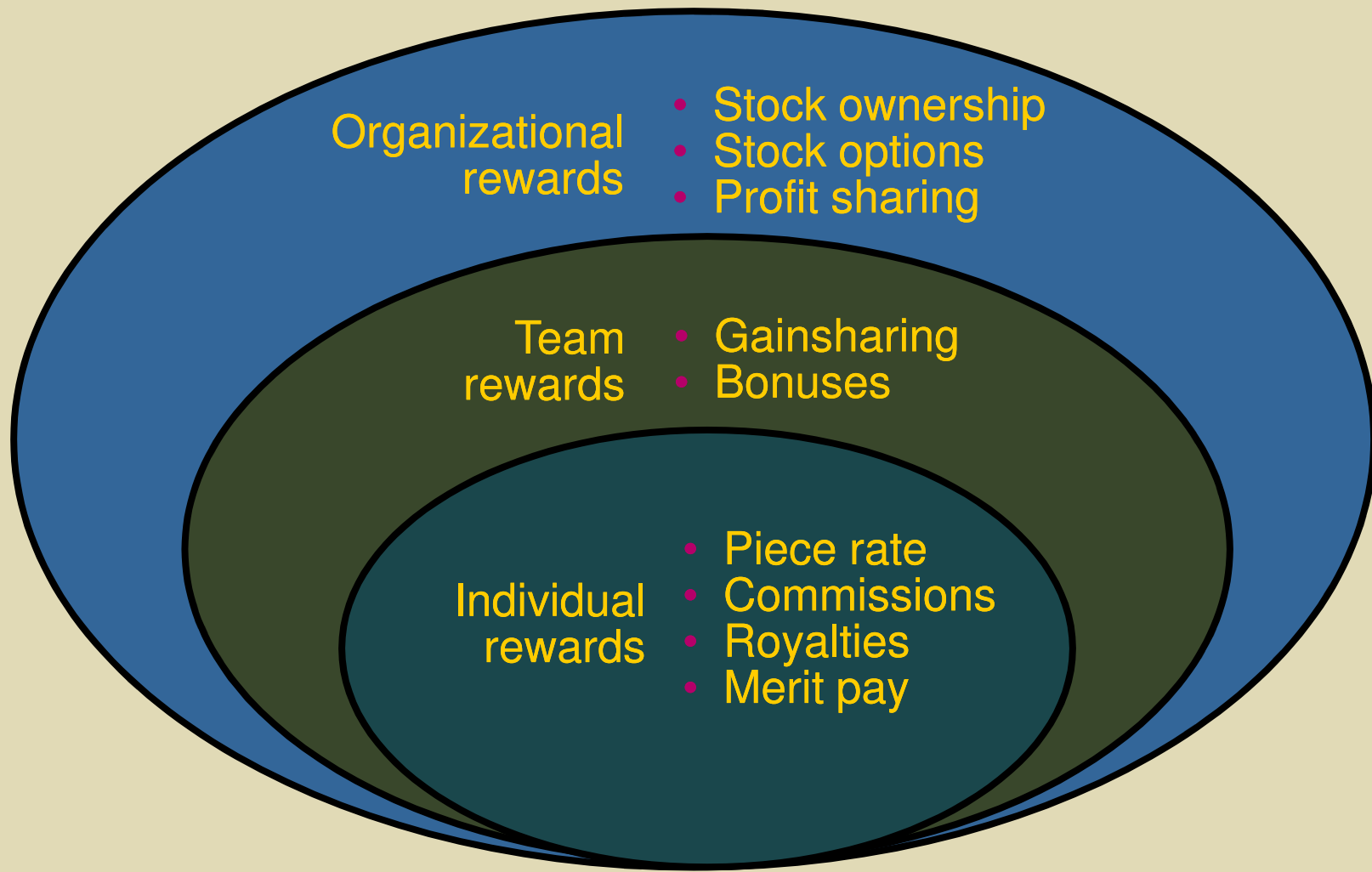


Competency-Based Rewards

- Pay increases with competencies acquired or demonstrated
- Skill-based pay
 - Pay increases with skill modules learned
- Advantages
 - More flexible work force, better quality, consistent with employability
- Disadvantages
 - Potentially subjective, higher training costs



Performance-Based Rewards





Rewards at Steel Dynamics

Steel Dynamics remains competitive by applying team and organizational rewards. Along with handing out profit sharing bonuses, the company rewards production staff for achieving production targets and reducing input costs (gainsharing).



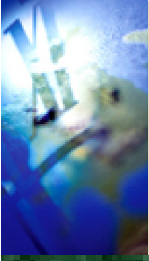
Courtesy of Steel Dynamics Inc.

Team and Organizational Rewards

- Gainsharing plans
 - based on cost reductions and increased labor efficiency
- ESOPs
 - employees own company stock
- Stock options
 - right to purchase company shares at a future date at a predetermined price
- Profit sharing
 - employees receive share of profits



Courtesy of Steel Dynamics Inc.



Problems with Performance Rewards

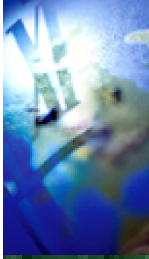
- Shift attention away from motivation job itself to extrinsic rewards
- Create a psychological distance with reward giver
- Discourage risk taking
- Used as quick fixes

Improving Reward Effectiveness



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- Link rewards to performance
- Ensure rewards are relevant
- Team rewards for interdependent jobs
- Ensure rewards are valued
- Beware of unintended consequences

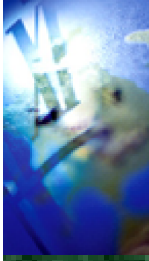


Job Design

- Assigning tasks to a job, including the interdependency of those tasks with other jobs
- Technology influences, but does not determine, job design
- Employability affects job design



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Evaluating Job Specialization

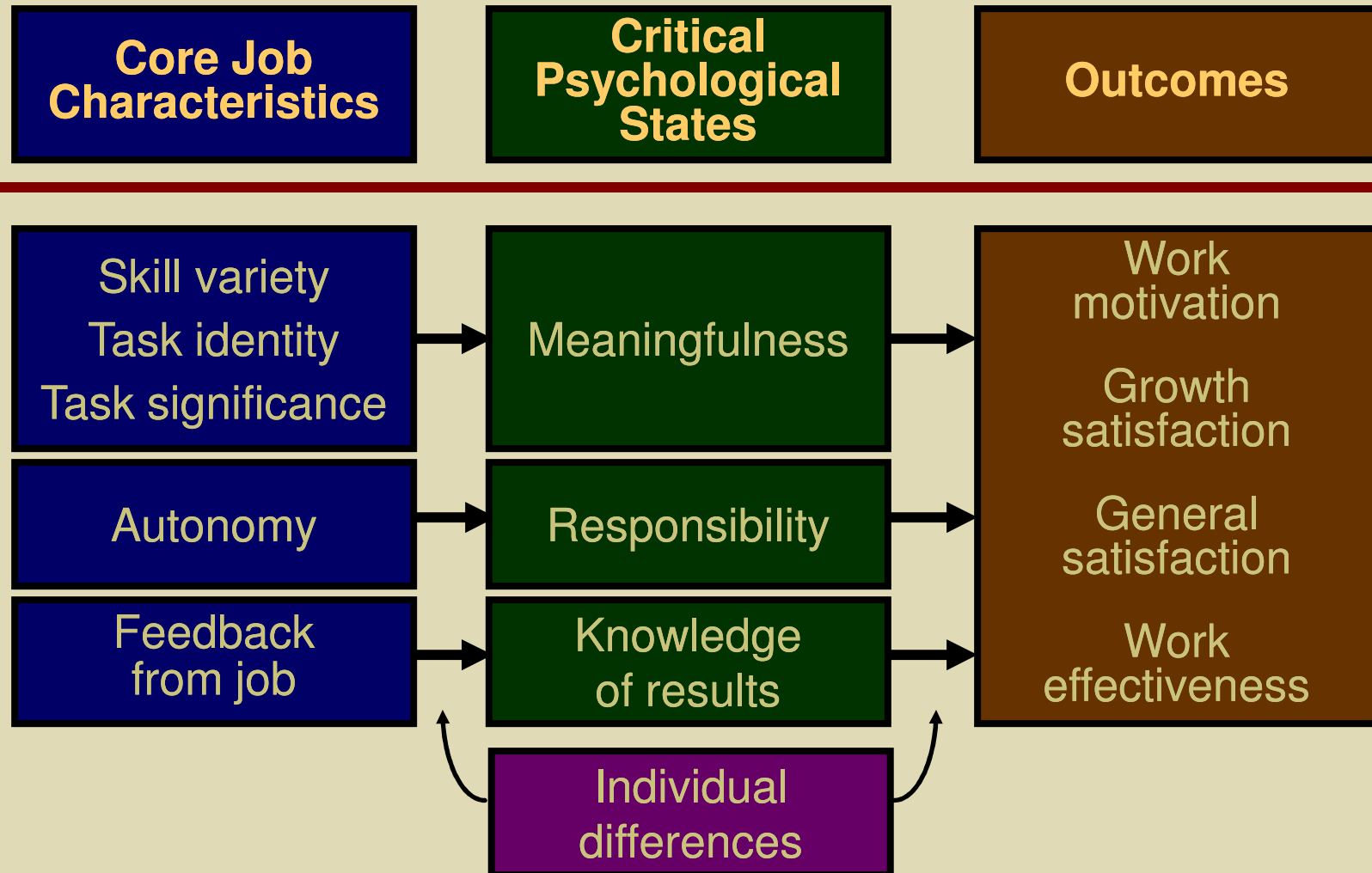
Advantages

- Less time changing tasks
- Lower training costs
- Job mastered quickly
- Better person-job matching

Disadvantages

- Job boredom
- Discontentment pay
- Lower quality
- Lower motivation

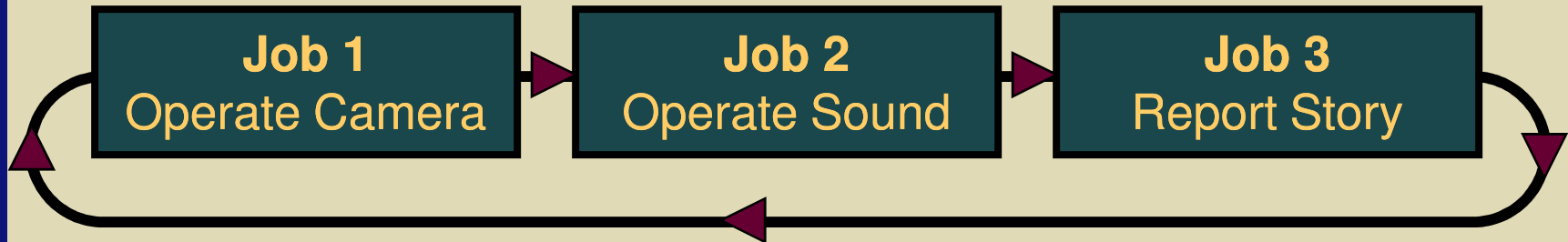
Job Characteristics Model



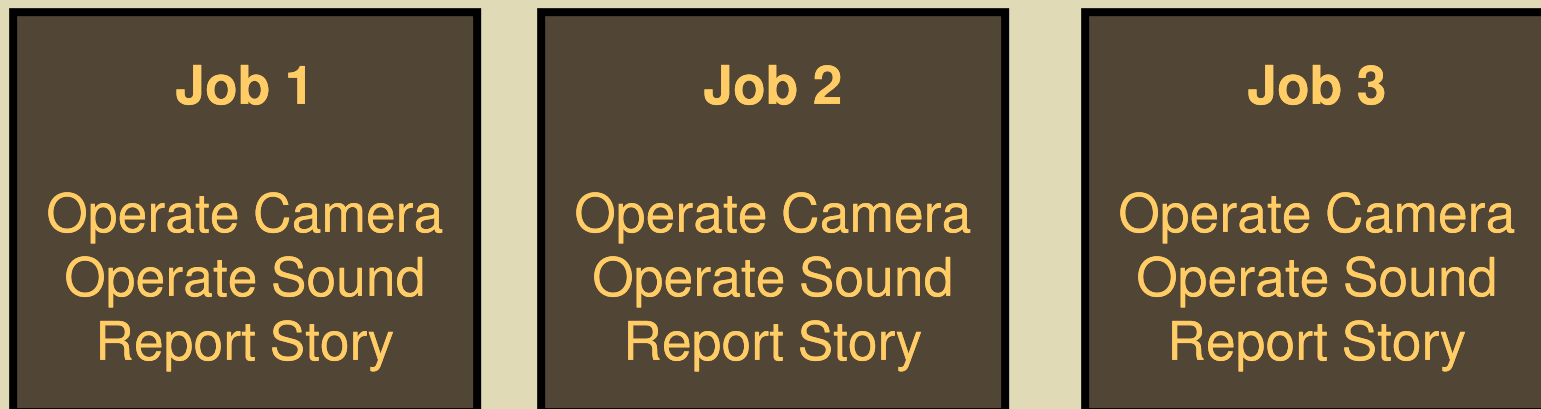


Job Rotation vs. Job Enlargement

Job Rotation



Job Enlargement



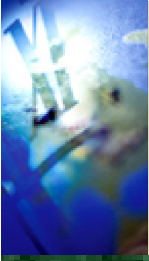


Job Enrichment Strategies

- Empowering employees
 - giving employees more autonomy
 - feeling of control and self-efficacy
- Forming natural work units
 - completing an entire task
 - assigning employees to specific clients
- Establishing client relationships
 - employees put in direct contact with clients

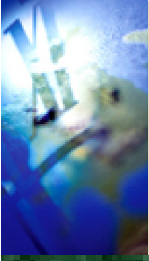


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Obstacles to Job Design

- Difficult to accurately measure job characteristics
- Resistance to change
 - skilled workers
 - labor union leaders
 - supervisors
- Problem finding optimal level of enrichment and specialization



Self-Leadership

- The process of influencing oneself to establish the self-direction and self-motivation needed to performance task
- Includes concepts/practices from:
 - Goal setting
 - Social learning theory
 - Sports psychology



Elements of Self-Leadership



- Personal goal setting
 - Employees set their own goals
 - Apply effective goal setting practices



Elements of Self-Leadership



- Positive self-talk

- Talking to ourselves about thoughts/actions
- Potentially increases self-efficacy

- Mental imagery

- Mentally practicing a task
- Visualizing successful task completion



Elements of Self-Leadership



- Finding ways to make the job itself more motivating
 - eg. altering the way the task is accomplished



Elements of Self-Leadership



- Keeping track of your progress toward the self-set goal
 - Looking for naturally-occurring feedback
 - Designing artificial feedback



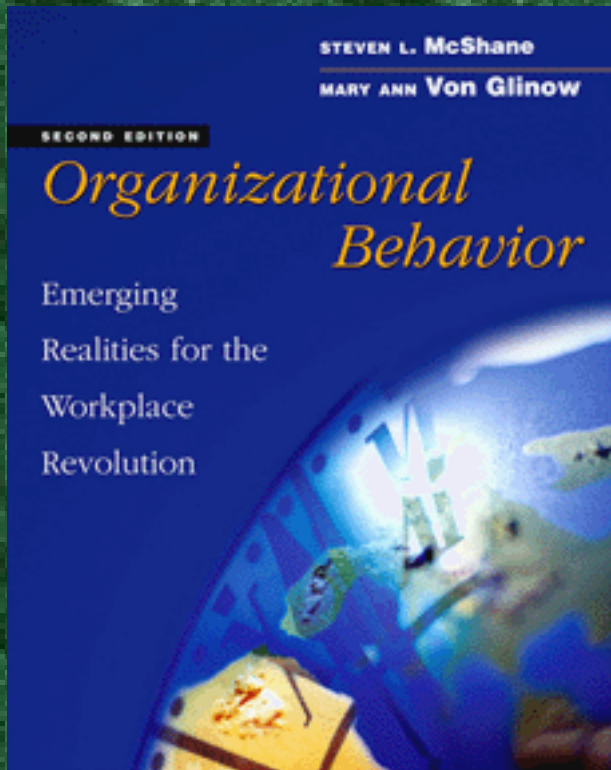
Elements of Self-Leadership



- “Taking” a reinforcer only after completing a self-set goal
 - eg. Watching a movie after writing two more sections of a report
 - eg. Starting a fun task after completing a task that you don’t like

CHAPTER

6



Applied Motivation Practices