MOTIVATION UNIT

Aims of the module: to introduce students to key concepts of motivation and see how they can be applied to the world of work. This module should cover approximately 12 hours of class time.

This chapter includes the following sections on the topic of Motivation:

1 What is Motivation?
2 Maslow's Hierarchy of Needs Theory
3 McGregor's Theory X and Theory Y
4 Herzberg's Two-Factor Theory
5 Three-Needs Theory
6 Goal-Setting Theory
7 Reinforcement Theory
8 Designing Motivating Jobs
9 Job Enlargement and Job Enrichment
10 Job Characteristics Model
11 Redesigning Job Design Approaches
12 Equity Theory

Case Applications
Review and discussion questions

General Introductory Questions:

Can you think of a situation when you were (highly-) motivated? What were the motivating factors?

And a situation in which you were demotivated? Can you remember what the cause of your demotivation was?

How do you motivate yourself when the situation is not motivating?

(These three questions are ones that you may be asked in a job interview!)

Do employees work best when they have specific goals or when they set their own goals?

Do employees work best when given easy or difficult goals/tasks?

Some people give up after they have received negative feedback. Others try harder after they have received such feedback. Why do you think this is?

Apart from money, what do you think motivates employees and managers in a company?

Workers in Germany are absent from their job on average 16 days in the year. What are the reasons that employees do not come to work and loss their companies millions of euros?

Successful managers understand that what motivates them personally may have little or no effect on others. Just because you are motivated by being part of a cohesive work team, don't assume (think/expect) that everyone is. Or just because you're motivated by your job doesn't mean that everyone is. Effective managers who get employees to put forth maximum effort know how and why those employees are motivated and tailor motivational practices to satisfy their needs and wants.

Learning Outcome: Define motivation

1 What is motivation?

Have you ever thought about how to motivate someone? In a few years from now, when you have finished your master's programme and have graduated from the TH

Wildau, you may well find yourself in a job where you have to manage or supervise even a small number of people. One of your tasks could be how to motivate a member of your team - or how to deal with a demotivated member of your team. Motivation is an important topic in management and researchers have long been interested in it. All managers need to be able to motivate their employees, which first requires (needs) understanding of what motivation is. Let's begin by pointing out what motivation is not. Why? Because many people incorrectly view (see) motivation as a personal trait (characteristic/feature); that is, they think some people are motivated and others aren't. Our knowledge of motivation tells us that we can't label people that way because individuals differ in motivational drive and their overall motivation varies from situation to situation. For instance, you are probably more motivated in some classes than in others. You may find the topic interesting but still feel demotivated by a class.

Motivation refers to the process by which a person's efforts are energized, directed and sustained (kept going) towards attaining (reaching) a goal. This definition has three key elements: **energy**, **direction** and **persistence**.
The *energy* element is a measure of intensity, drive and vigour. A motivated person puts forth effort and works hard. However, the quality of the effort must be considered as well as its intensity. High levels of effort don't necessarily lead to favourable job performance unless the effort is channeled in a *direction* that benefits the organization. Effort that is directed toward and consistent with organizational goals is the kind of effort we want from employees. Finally, motivation includes a *persistence* dimension. We want employees to persist (keep going) in putting forth effort to achieve these goals.

(We can learn a lot about motivation by observing how children behave. Sport is so important for children because it builds on their natural energy, gives it a direction – to win the game in a team – and encourages them to invest their energy over a longer time period. This is why many children are motivated to play sport for years and years.)
Motivating high levels of employee performance is an important organizational concern and managers keep looking for answers. For instance, a Gallup poll found that a large majority of U.S. employees (73%) are not excited about their work. As the researchers stated, "These employees have essentially 'checked out.' They're sleepwalking through their workday, putting time, but not energy or passion, into their work." It is no wonder then that both managers and academics want to understand and explain employee motivation.

Learning Outcome: Compare and contrast early theories of motivation.

Early Theories of Motivation

We begin by looking at four early theories of motivation: Maslow's hierarchy of needs, McGregor's theories X and Y, Herzberg's two-factor theory, and McClelland's three-needs theory. Although more valid explanations of motivation have been developed, these early theories are important because they represent the foundation from which contemporary motivation theories were developed and because many practicing managers still use them.

2 Maslow's Hierarchy of Needs Theory

Having a car to get to work is a necessity for many workers. When two crucial employees of Vurv Technology in Jacksonville, Florida, had trouble getting to work, owner Derek Mercer decided to buy two inexpensive cars for the employees. He said, "I felt that they were good employees and a valuable asset to the company." One of the employees who got one of the cars said, "It wasn't the nicest car. But the 80-hour weeks we worked after that never meant anything. It was give and take. I was giving and the company was definitely giving back."   Derek Mercer understands employee needs and their impact on motivation. The first motivation theory we're going to look at addresses employee needs.

The best-known theory of motivation is probably Abraham Maslow's hierarchy of needs theory. Maslow was a psychologist who proposed that within every person is a hierarchy of five needs.

1 **Physiological needs**: A person's need for food, drink, shelter, sex and other physical requirements.

2 **Safety needs**: A person's needs for security and protection from physical and emotional harm, as well as assurance that physical needs will continue to be met.

3 **Social needs**: A person's needs for affection, belongingness, acceptance and friendship.

4 **Esteem needs**: A person's needs for internal esteem factors such as self-respect, autonomy and achievement and external factors such as status, recognition and attention.

5 **Self-actualization needs**: A person's needs for growth, achieving one's potential and self-fulfillment; the drive to become what one is capable of becoming.

Maslow argued that each level in the needs hierarchy must be substantially satisfied before the next need becomes dominant. An individual moves up the needs hierarchy from one level to the next. In addition, Maslow separated the fives needs into higher and lower levels. Physiological and safety needs were considered *lower-*

order needs; social, esteem and self-actualization needs were seen as *higher-order needs*. Lower-order needs are predominantly satisfied externally while higher-order needs are satisfied internally.

How does Maslow's theory explain motivation? Managers using Maslow's hierarchy to motivate employees do things to satisfy employees' needs. But the theory also says that once a need is substantially satisfied, an individual is no longer motivated to satisfy that need. Therefore, to motivate someone, you need to understand what need level that person is on in the hierarchy and focus on satisfying needs at or above that level.

Maslow's need theory was widely recognized during the 1960s and 1970s, especially among practicing managers, probably because it was intuitively logical and easy to understand. But Maslow provided no empirical support for this theory, and several studies that sought to validate it could not.

Question One: If you have a part-time job how many of Maslow's needs does the job cover? Is it only the physiological needs?

Question Two: As a student at the University of Applied Sciences Wildau, does Maslow's hierarchy of needs explain your motivation to study?

3 McGregor's Theory X and Theory Y

Douglas McGregor is best known for proposing two assumptions about human nature: Theory X and Theory Y. Very simply, **Theory X** is a negative view of people that assumes workers have very little ambition, dislike work, want to avoid responsibility and need to be closely controlled to work effectively. **Theory Y** is a positive view that assumes employees enjoy work, seek out and accept responsibility and exercise self-direction. McGregor believed that Theory Y assumptions should guide management practice and proposed that participation in decision-making, responsible and challenging jobs and good group relations would maximize employee motivation.

Unfortunately, no evidence confirms that either set of assumptions is valid or that being a Theory Y manager is the only way to motivate employees. For instance, some managers use both reassuring hugs and tough love in motivating employees.

Question: Can you think of an example of (1)'reassuring hugs' (the Telly-tubby School of Motivation) and an example of (3)'tough love' and (3)what kind of employees would react well to such motivation strategies?

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4 Herzberg's Two-Factor Theory

Frederick Herzberg's **two-factor theory** (also called motivation-hygiene theory) proposes that intrinsic factors are related to job satisfaction, while extrinsic factors are associated with job dissatisfaction. Herzberg wanted to know when people felt exceptionally (especially) good (satisfied) or bad (dissatisfied) about their jobs. He concluded that the replies people gave when they felt good about their jobs were significantly different from the replies they gave when they felt badly. Certain characteristics were consistently related to job satisfaction and others to job dissatisfaction. When people felt good about their work, they tended to cite intrinsic factors arising from the job itself such as achievement, recognition and responsibility. On the other hand, when they were dissatisfied, they tended to cite extrinsic factors arising from the job context such as company policy and administration, supervision, interpersonal relationships and working conditions.

In addition, Herzberg believed that the data suggested that the opposite of satisfaction was not dissatisfaction as traditionally had been believed. Removing dissatisfying characteristics from a job would not necessarily make that job more satisfying or motivating. Herzberg suggested that the opposite of "satisfaction" is "no satisfaction", and the opposite of "dissatisfaction" is "no dissatisfaction."

Again, Herzberg believed that the factors that led to job satisfaction were separate and distinct (different) from those that led to job dissatisfaction. Therefore, managers who sought (tried) to eliminate factors that created job dissatisfaction could keep people from being dissatisfied but not necessarily motivate them. The extrinsic factors that create job dissatisfaction were called **hygiene factors**. When these factors are adequate, people won't be dissatisfied but they won't be satisfied (or

motivated) either. To motivate people, Herzberg suggested emphasizing motivators, the intrinsic factors having to do with the job itself.

Herzberg's theory enjoyed wide popularity from the mid-1960s to the early 1980s, despite criticism of his procedures and methodology. Although some critics said his theory was too simplistic, it has influenced how we currently design jobs, especially when it comes to job enrichment, which we'll discuss at a later point in this chapter.

5 Three-Needs Theory

David McClelland and his associates proposed the **three-needs theory**, which says there are three acquired (not innate) needs that are major motives at work. These three needs include the **need for achievement** (**nAch**), which is the drive to succeed and excel in relation to a set of standards; the **need for power** (**nPow**), which is the need to make others behave in a way they would not have behaved otherwise; and the **need for affiliation** (**nAff**) which is the desire for friendly and close interpersonal relationships. Of these three needs, the need for achievement has been researched the most.

People with a high need for achievement are striving for personal achievement rather than for the trappings and rewards of success. They have a desire to do something better or more efficiently than it's been done before. They prefer jobs that offer personal responsibility for finding solutions to problems, in which they can receive rapid and unambiguous feedback on their performance in order to tell whether they are improving, and in which they can set moderately challenging goals. High achievers avoid what they perceive to be very easy or very difficult tasks. Also, a high need to achieve does not necessarily lead to being a good manager, especially in large organizations. That is because high achievers focus on their own accomplishments, while good managers emphasize helping *others* accomplish their goals.

McClelland showed that employees can be trained to stimulate their achievement need by being in situations where they have personal responsibility, feedback and moderate risk.
The other two needs in this theory haven't been researched as extensively as the need for achievement. However, we do know that the best managers tend to be high in the need for power and low in the need for affiliation.

Contemporary Theories of Motivation

The theories we look at in this section represent current explanations of employee motivation. Although all these theories may not be as well known as those we have just discussed, they are supported by research. The contemporary motivation approaches include goal-setting theory, reinforcement theory, job design theory, equity theory, expectancy theory and high-involvement work practices.

6 Goal-Setting Theory

At one American company's research division, the executive vice president Robert Ruffolo established challenging new product quotas for the company's scientists in an attempt to bring more efficiency to the innovation process. And he made bonuses contingent (dependent on) on meeting those goals. Before a big test or major presentation, has a teacher ever encouraged you to "do your best"? What does that vague statement "do your best" mean? Would your test performance have been higher if your teacher had said you needed to score 93 percent to get a 1.3? Research on goal-setting theory addresses these issues, and the findings, as you'll see, are impressive in terms of the effect that goal specificity, challenge and feedback have on performance.

Research provides substantial support for goal-setting theory, which says that specific goals increase performance and that difficult goals, when accepted, result in higher performance than do easy goals. What does goal-setting theory tell us? First, working toward a goal is a major source of job motivation. Studies on goal setting have demonstrated that specific and challenging goals are superior (better) motivating forces. Such goals produce a higher output than does the generalized goal of "do your best"? The specificity of the goal itself acts as an internal stimulus. For instance, when a sales rep commits to making eight sales calls daily, this intention gives him a specific goal to try to attain (reach).

It is not a contradiction that goal-setting theory says that motivation is maximized by difficult goals, whereas achievement motivation (from three-needs theory) is stimulated by moderately challenging goals. First, goal-setting theory deals with people in general, whereas the conclusions on achievement motivation are based on people who have a high nAch. Given that no more than 10 to 30 percent of North Americans are high achievers difficult goals are still recommended for the majority of employees. Second, the conclusions of goal-setting theory apply to those who accept and are committed to the goals. Difficult goals will lead to higher performance *only* if they are accepted.

Next, will employees try harder if they have the opportunity to participate in the setting of goals? Not always. In some cases, participatively set goals elicit (create/cause) superior performance. In other cases, individuals performed best when their manager assigned goals. However, participation is probably preferable to assigning goals when employees might resist accepting difficult challenges.

Finally, we know that people will do better if they get feedback on how well they're progressing toward their goals because feedback helps identify discrepancies between what they have done and what they want to do. But all feedback isn't equally effective. Self-generated feedback – where an employee monitors his or her own progress – has been shown to be a more powerful motivator than feedback coming from someone else.

Three other contingencies besides feedback influence the goal- performance relationship; goal commitment, adequate self-efficacy and national culture.

First, goal-setting theory assumes that an individual is committed to the goal. Commitment is most likely when goals are made public, when the individual has an internal locus of control and when the goals are self-set rather than assigned.

Next, **self-efficacy** refers to an individual's belief that he or she is capable of performing a task. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task. So, in difficult situations, we find that people with low self-efficacy are likely to reduce their effort or give up altogether, whereas those with self-efficacy will try harder to master the challenge. In addition, individuals with high-efficacy seem to respond (react) to negative feedback with increased effort and motivation, whereas those with low self-efficacy are likely to reduce their effort when given negative feedback.

Finally, the value of goal setting theory depends on the **national culture**. It is well adapted to North American countries because its main ideas align reasonably well with those cultures. It assumes that subordinates will be reasonably independent, that people will seek challenging goals and that performance is considered important by both managers and subordinates. Don't expect goal setting to lead to higher employee performance in countries where the cultural characteristics aren't like this. (Can you think of an example of a culture where independent achievement is not so highly valued, where the group may be more important than the individual?)

7 Reinforcement Theory

Reinforcement theory says that behaviour is a function of consequences. Those consequences that immediately follow a behaviour and increase the probability that the behaviour will be repeated are called **reinforcers**. Reinforcement theory ignores factors such as goals, expectations and needs. Instead it focuses solely on what happens to a person when he or she does something. For instance, Walmart improved its bonus program for hourly employees. Employees who provide (give) outstanding (very good) customer service get a cash bonus. And all Walmart hourly full- and part-time store employees are eligible (qualify for) for annual "My$hare" bonuses, which are allocated on store performance and distributed quarterly so that workers are rewarded more frequently. The company's intent: keep the workforce motivated to meet goals by rewarding them when they did meet such goals, thus reinforcing the behaviours.

According to B. F. Skinner, people will most likely engage in desired behaviours if they are rewarded for doing so. These rewards are most effective if they immediately follow a desired behaviour, and behaviour that isn't rewarded, or is punished, is less likely to be repeated. Using reinforcement theory, managers can influence employees' behaviour by using positive reinforcers for actions that help the organization achieve its goals. And managers should ignore, not punish, undesirable behaviour. Although punishment eliminates undesired behaviour faster than nonreinforcement does, its effect is often temporary and may have unpleasant side effects including dysfunctional behaviour such as workplace conflicts, absenteeism and turnover. Although reinforcement is an important influence on work behaviour, it isn't the only explanation for differences in employee motivation.

As a manager how would you 'reward' or 'punish' employees in this way?

8 Designing Motivating Jobs

It's not unusual to find shop-floor workers at Cordis facility interacting directly with customers, especially if that employee has special skills or knowledge that could help come up with a solution to a customer's problem. One company executive said, "Our sales guys often encourage this in certain situations because they don't always have all the answers. If by doing this, we can better serve the customers, then we do it." As this example shows, the tasks an employee performs in his or her job are often determined by different factors, such as providing customers with what they need when they need it.

Because managers want to motivate individuals on the job, we need to look at ways

to design motivating jobs. If you look closely at what an organization is and how it works, you'll find that it's composed of thousands of tasks. These tasks are, in turn, aggregated into jobs. We use the term **job design** to refer to the way tasks are combined to form complete jobs. The jobs that people perform in an organization should not evolve by chance, managers should design jobs deliberately and thoughtfully to reflect the demands of the changing environment, the organization's technology, and employees' skills, abilities and preferences. When jobs are designed like that, employees are motivated to work hard. Let's look at some ways that managers can design motivating jobs.

9 Job Enlargement. Historically job design has made jobs smaller and more specialized (see Adam Smith and Henry Ford). It's difficult to motivate employees when jobs are like this. An early effort at overcoming the drawbacks (disadvantages) of job specialization involved horizontally expanding a job through increasing **job scope** – the number of different tasks required in a job and the frequency with which these tasks are repeated. For instance, a dental hygienist's job could be enlarged so that in addition to cleaning teeth, he/she is pulling patients' files, refiling them when finished, and sanitizing and storing instruments. This type of job design option is called **job enlargement**.

Most job enlargement efforts that focused on increasing the number of tasks don't seem to work. As one employee who experienced such a job redesign said, "Before I had one boring job, now thanks to job enlargement, I have three boring jobs." However, research has shown that *knowledge* enlargement activities (expanding the scope knowledge used in a job) lead to more job satisfaction, enhanced (improved) customer service and fewer mistakes.

Job Enrichment. Another approach to job design is the vertical expansion of a job by adding planning and evaluating responsibilities – **job enrichment**. Job enrichment improves **job depth**, which is the degree of control employees have over their work. In other words, employees are empowered to assume some of the tasks typically done by their managers. Thus, an enriched job allows workers to do an entire activity with increased freedom, independence and responsibility. In addition, workers get feedback so they can assess and correct their own performance. For instance, if our dental hygienist had an enriched job, he/she could in addition to cleaning teeth, schedule appointments (planning) and follow up with clients (evaluating). Although job enrichment may improve the quality of work, employee motivation and satisfaction, research evidence has been inconclusive as to its usefulness.

10 Job Characteristics Model Even though many organizations implemented job enlargement and job enrichment programs and experienced mixed results, neither approach provided an effective framework for managers to design motivating jobs. But the **job characteristics model** does. It identifies five core job dimensions, their interrelationships, and their impact on employee productivity, motivation and satisfaction. These five core job dimensions are.

1. **Skill Variety**, the degree to which a job requires a variety of activities so that an employee can use a number of different skills and talents.
2. **Task Identity**, the degree to which a job requires completion of a whole and identifiable piece of work.
3. **Task significance**, the degree to which a job has a substantial impact on the lives or work of other people.
4. **Autonomy**, the degree to which a job provides substantial freedom, independence and discretion to the individual in scheduling the work and determining the procedures to be used in carrying it out.
5. **Feedback,** the degree to which doing work activities required by a job results in an individual obtaining (getting) direct and clear information about the effectiveness of his/her performance.

Notice how the first three dimensions – skill variety, task identity and task significance – combine to create meaningful work. In other words, if these three characteristics exist in a job, we can predict that the person will view (see) his/her job as being important, valuable and worthwhile. Notice, too, that jobs that possess autonomy give the jobholder a feeling of personal responsibility for the results and that if a job provides feedback, the employee will know how effectively he/she is performing.

The JCM suggests that employees are likely to be motivated when they *learn* (knowledge of results through feedback) and they *personally* (experienced responsibility through autonomy at work) performed well on tasks that they *care about* (experienced meaningfulness through skill variety, task identity or task significance). The more a job is designed around these three elements, the greater the employee's motivation, performance and satisfaction and the lower his/her absenteeism and likelihood of resigning.

The JCM provide specific guidance to managers for job design. These suggestions specify the types of change that are most likely to lead to improvement in the five core job dimensions. You'll notice that two suggestions incorporate job enlargement and job enrichment, although the other suggestions involve more than vertical and horizontal expansion of jobs.

1. Combine tasks. Put fragmented tasks back together to form a new, larger work module (job enlargement) to increase skill variety and task identity.
2. Create natural work units. Design tasks that form an identifiable and meaningful whole to increase employee "ownership" of the work. Encourage employees to view their work as meaningful and important rather than as irrelevant and boring.
3. Establish client (external or internal) relationships. Whenever possible, establish direct relationships between workers and their clients to increase skill variety, autonomy and feedback.
4. Expand jobs vertically. Vertical expansion gives employees responsibilities and controls that were formally reserved for managers, which can increase employee autonomy.
5. Open feedback channels. Direct feedback lets employees know how well they performing their jobs and whether their performance is improving or not.

Research into the JCM continues. For instance, one recent study looked at using job redesign efforts to change job characteristics and improve employee well-being. Another study examined psychological ownership – that is, a personal feeling of "mine-ness" or "our-ness" – and its role in the JCM.

11 Redesigning Job Design Approaches. Although the JCM has proven to be useful, it may not be totally appropriate for today's jobs that are more service and knowledge-oriented. The nature of these jobs has also changed the tasks that employees do in these jobs. Two emerging viewpoints on job design are causing a rethink of the JCM and other standard approaches. Let's take a look at each perspective.

The first perspective, the relational perspective of work design, focuses on how people's tasks and jobs are increasingly based on social relationships. In jobs today, employees have more interactions and interdependence with coworkers and others both inside and outside the organization. In doing their job, employees rely more and more on those around them for information, advice and assistance. So what does this mean for designing motivating jobs? It means that managers need to look at important components of those employee relationships such as access to and level of social support in an organization, types of interactions outside an organization, amount of task interdependence and interpersonal feedback.

The second perspective, the proactive perspective of work design, says that employees are taking the initiative to change how their work is performed. They're

much more involved in decisions and actions that affect their work. Important job design factors according to this perspective include autonomy (which is part of JCM), amount of ambiguity and accountability, job complexity, level of stressors, and social or relationship context. Each of these has been shown to influence employee proactive behaviour.

One stream of research that is relevant to proactive work design is that on high-involvement work practices, which are work practices designed to elicit greater input or involvement from workers. The level of employee proactivity is believed to increase as employees become more involved in decisions that affect their work. Another term for this approach is employee empowerment.

12 Equity Theory

Do you ever wonder what kind of grade the student sitting next to you in class gets in a test? Most of us do. Being human, we tend to compare ourselves with others. If someone offered you €80,000 on your first job after graduating from the TH Wildau, you'd probably jump at the offer and report to work enthusiastic, ready to tackle whatever had to be done, and certainly satisfied with your pay. How would you react, though, if you found out a month later that coworker – another recent graduate of your age, with comparable grades and degree – was getting €85,000 a year. You'd probably be upset. Even though €80,000 is a lot of money for a new graduate, that is not the issue. Now you see the issue as what you believe is fair – what is equitable. The term equity is related to the concept of fairness and equitable treatment compared with others who behave in similar ways. Evidence indicates that employees compare themselves to others and that inequities influence how much effort employees exert.

Equity theory, developed by J. Stacey Adams, proposes that employees compare what they get from a job (outcomes) in relation to what they put into it (inputs), and then they compare their inputs-outcomes ration with the inputs-outcomes ratios of relevant others. If an employee perceives her ratio to be equitable in comparison to those of relevant others, there is no problem. However, if the ration in unequitable, she views herself as underrewareded or overrewarded. When inequities occur, employees attempt (try) to do something about it. The result might be lower or higher productivity, improved or reduced quality of output, increased absenteeism or voluntary resignation.

The referent- the other persons, systems or selves individuals compare themselves against in order to assess equity – is an important variable in equity theory. Each of the three referent categories is important. The **"persons"** category includes other individuals with similar jobs in the same organization but also includes friends, neighbours, or professional associates. Based on what they hear at work or read about in newspapers or trade journals, employees compare their pay with that of others. The **"system"** category includes organizational pay policies, procedures and

allocation. The **"self"** category refers to inputs-outcomes rations that are unique to the individual. It reflects past personal experiences and contacts and is influenced by criteria such as past jobs or family commitments.

Originally, equity theory focused on distributive justice, which is the perceived fairness of the amount and allocation of rewards among individuals. More recent research has focused on looking at issues of procedural justice, which is the perceived fairness of the process used to determine the distribution of rewards. This research shows that distribution justice has a greater influence on employee satisfaction than procedural justice, while procedural justice tends to affect an employee's organizational commitment, trust in his/her boss and intention to quit (leave the company). What are the implications for managers? They should consider openly sharing information on how allocation decisions are made, follow consistent and unbiased procedures and engage in similar practices to increase the perception of procedural justice. By increasing the perception of procedural justice, employees are likely to view their issues and the organization as positive even if they are dissatisfied with pay, promotion and other personal outcomes.

CASE APPLICATION 1
Kellogs

This case study focuses on how Kellogs motivates its people. It illustrates how the use of motivational techniques helps to develop the business as a 'great place to work'.

The Kellogg Company is the world's leading producer of breakfast cereals. Its products are manufactured in 18 countries and sold in more than 180 countries. For more than 100 years, Kellogg's has been a leader in health and nutrition. It has done this by providing consumers with a wide variety of food products.

Within Kellogg's, there is a variety of functions and work roles. These include engineering operatives in the manufacturing section. Others work in finance, marketing, sales, information technology or human resources. Keeping everybody motivated no matter what their role is not easy. Kellogg's was recently placed in the top 100 of the Best Companies to Work For list in The Sunday Times.

Values and motivation

Kellogg's values and culture support its role as a good employer. Encouraging everyone to live by the K-Values throughout the whole business creates a culture of people that have ownership over their own projects and strive for continuous improvement and industry-leading results.

These values influence the behaviour of individuals within the workplace, making Kellogg's a positive place to work. Employees are encouraged to speak positively about each other when apart, focusing on their strengths. This involves listening to others and accepting their right to their own views regarding the workplace.

Within Kellogg's every employee is motivated to work through each of these levels. As they do so, this provides positive effects for each employee and the organisation. For example:

- *Physiological needs* – Kellogg's offers competitive salaries. This gives people the means to acquire the basic needs for living. The Kellogg's Cornflex flexible benefits programme allows employees to choose those benefits that suit them. This includes childcare vouchers, cash alternatives to company cars and discounted life assurance schemes. These savings and competitive salaries help workers' pay go further and so motivate them to be loyal to the company.
- *Safety needs* – Kellogg's values the safety of all employees. The company is committed to providing a safe and healthy work environment to prevent accidents. Employees are however accountable - that means they have to take responsibility for observing the health and safety rules and practices. Kellogg's also offers employees a range of working patterns. Some may want to work part-time, others may want career breaks or undertake homeworking. This helps employees to choose the best option for a healthy work-life balance.
- *Social needs* – These are associated with a feeling of belonging. Kellogg's operates weekly group 'huddles'. These provide informal opportunities for employees to receive and request information on any part of the business, including sales data and company products. This helps strengthen teams and enhances workers' sense of belonging. Having an open approach to communication keeps everybody focused on the company's aims helps individuals contribute to the company's K-Values. They include values such as being positive, seeing the best in people and recognising diversity. Kellogg's positively recognises and rewards staff achievements.
- *Self-actualisation* – Kellogg's provides employees with the opportunity to take on challenging and stimulating responsibilities. For example, the business provides the opportunity for individuals to take ownership of projects. This enables them to develop and improve.

Laura Bryant joined Kellogg's straight after university in 2002. She joined the Field Sales team initially. This involved visiting five to ten supermarkets a day to develop relationships at a local level. After two years her hard work was rewarded and she was promoted to Customer Marketing Manager at Head Office. This helped to raise her profile as she wanted to move into marketing. With support from her manager, Laura made the transition from Sales to Marketing as Assistant Brand Manager on Rice Krispies and Frosties. In 2009 she was promoted again to manage the marketing plan for Special K and she is now Brand Manager for Kellogg's Cornflakes. The company has helped motivate her to climb the hierarchy of needs and achieve her career ambitions.

Communication

Kellogg's keeps a two-way dialogue with employees through its communication programmes. This helps to empower the workforce. For example, its open-plan lobby area with coffee bar accommodates as many as 200 people. It provides an informal venue for briefings and presentations. The WK Kellogg Values Awards programme provides special recognition for what employees do and rewards them for how they perform.

'Here at Kellogg's listening is a central premise of the way we work. We believe that our employees have some of the best ideas and that a successful company is one that listens to the grass roots feedback and acts on it. Any employee can raise an issue or a suggestion via their rep who will raise it at one of their monthly meetings.' (Sue Platt, HR Director)

Generating ideas

The Kellogg's suggestion box scheme helps to generate ideas and improve productivity. Kellogg's has an initiative called 'Snap, Crackle and Save' - an employee suggestion scheme to save costs within the supply chain. Hundreds of ideas have been put forward over the last couple of years. One idea suggested that the same thickness of cardboard could be used for packaging in all manufacturing plants in Europe. This saved around £250,000 per year.

Kellogg's also shows its commitment to making its business a great place to work. It provides personal development planning for employees which includes provisions such as secondments and study leave as part of staff development. This reinforces staff commitment and their sense of being treated well.

Motivating factors

Kellogg's has developed a number of motivating factors. These are designed to ensure that Kellogg's is perceived as a good place to work and a desirable employer of choice. For example, Kellogg's has a 'Fit for Life' programme offering employees access to fitness centres, free health checks and annual fitness assessments by healthcare specialists every spring.

It also provides a 'summer hours' programme from May to September so if employees have worked a full week's hours by noon on a Friday, they can finish work at that point. This means employees can adjust their working hours to balance their work against family or lifestyle commitments.

Awareness of motivating factors helps Kellogg's to build a business that delivers consistently strong results. Other initiatives within the organisation include:

- flexitime, home working, part-time working and job sharing

- career breaks, parental leave, time off for dependents and maternity and paternity leave
- on-site gyms or subsidised access to local facilities.

Claire Duckworth works in the Consumer Insight team at Kellogg's. She takes part in Latin American ballroom dancing competitively with her partner. They are ranked 7th in England in the over-35 category. Flexible working at Kellogg's enables her to travel to events and provides her with the opportunity to pursue her hobby at a serious level. This opportunity to adjust her working life to accommodate her personal ambitions makes Claire feel respected and supported.

Motivators within the Kellogg's company reflect the different personal aspirations of staff. The working environment provides the opportunity to move forward and take on responsibilities. There is clear recognition and reward for performance.

For example, the Kellogg's sales team meets every Friday morning to share success stories of the week. Once a month it recognises individuals that have worked above and beyond the K-Values. Winners receive a range of awards ranging from cash prizes, vouchers or holiday entitlements.

This case study illustrates the range of different motivation measures in practice at Kellogg's. It demonstrates that highly motivated employees can improve efficiency, output and quality for a business.

Motivating staff helps to make them more committed to the workplace. By understanding the effects of different motivation techniques, Kellogg's is able to make work a more exciting and interesting experience for employees whilst creating a more productive, profitable and competitive business.

CASE APPLICATION 2

Best Practices at Volvo

Do traditional workplaces reward long hours instead of efficient hours? Wouldn't it make more sense to listen to workers' needs and try to meet them? Or, to have a workplace in which people can do whatever they want, whenever they want, as long as the work gets done? Well, that is the approach that Volvo in Sweden has taken. Volvo is one of the largest industrial concerns in the Nordic countries and is directly responsible for the employment of more than 43,000 people in Sweden alone. In the late 1980s, the company found itself suffering from a high degree of absenteeism and staff turnover. There were also issues with the quality of the cars leaving the

production line, and the cost of retrospectively (later) solving the faults was high. The root (source) of these problems was believed to lie in the traditional assembly line model, characterized by highly repetitive tasks, which allowed for little flexibility and meant Volvo's factories were not an attractive workplace.

Volvo decided to reorganize the production line to take into account the uniqueness of each individual on it. After a series of false starts, Volvo came up with (invented) a new manufacturing system where small groups of between 5 to 13 employees were responsible for the assembly of a complete vehicle, from beginning to end, rather than simply taking a role in one aspect of the production. The groups can select their own supervisors: schedule, inspect and assign their own work; and receive equal financial rewards for their work, except for the supervisor. Goals are set as to how many vehicles the team has to produce in a day, and any time left over is used to discuss experiences from that day's production and to plan for the following day. While being able to work independently is an important part of the new philosophy, team work is also key to making it work. Thus, the interaction between coworkers is helped by a culture called FIKA. FIKA is a small-scale get-together every day, where the team shares coffee and ideas, with a grand FIKA every Friday where one member of the department is responsible for preparing food for everyone. Every worker is also encouraged to take advantage of the flextime working arrangement, where they can choose the times they complete their 40-hour workweeks.

Reorganizing the workforce into smaller, self-managed groups meant that many members of the workforce needed to learn new skills. This was particularly true of the older team members who had been with the company for some time. However, instead of letting these workers go (firing them) and replacing them with younger, more widely skilled recruits, Volvo took the initiative to redeploy them. In 1993, Volvo introduced an initiative to offer older workers employment in a specialized senior unit. Alternatively, both the old and young who want to learn any new skills are offered courses during the working day, which are financed by the company and lead to valuable professional qualifications.

Productivity has soared (increased) thanks to the new humanist approach, and staff turnover (employees leaving) has also decreased. Volvo also discovered that when employees' commitment to their job increases, average annual sales increase too.

Discussion Questions:

1 Describe the elements of Volvo's new production approach. What do you think might be the advantages and drawbacks (disadvantages) of this program?

2 Using three motivation theories from this unit, explain why you think Volvo's system works.

3 What might be the challenges (difficulties) for managers in motivating employees in a program like this?

4 Does this sound like something you would be comfortable with? Why or why not?

5 What's your interpretation of the statement that "Work is not a place you go – it's something you do"? Do you agree? Why or why not?

REVIEW AND DISCUSSION QUESTIONS:

1. What is motivation? Explain the three key elements of motivation.

2. Describe each of the four early theories of motivation.

2.1

2.2.

2.3

2.4

3. How do goal-setting, reinforcement and equity theories explain employee motivation?

4. What are the different job design approaches to motivation?

5. Most of us have to work for a living, and a job is a central part of our lives. So why do managers have to worry so much about employee motivation issues?

6. Can an individual be too motivated? Discuss.

7 Using the job characteristics model, redesign the following jobs to be more motivating; retail store sales assistant, utility company (Vattenfall) meter reader and checkout cashier at a discount store. Describe at one specific action you would take for each of the five core job dimensions.