

CHAPTER 5 – Motivation and Performance

OBJECTIVES

This chapter covers the important process and content theories of motivation and the next deals with their application. This chapter has several specific goals.

One objective is to introduce students to a broader conception of performance that includes task performance and contextual performance. This is consistent with the discussion of performance found in Chapter 1.

Next, we explain the role of motivation in understanding organization behavior. This is done by, first, drawing a distinction between the psychological construction and a managerial construction of motivation.

The third objective is to clarify the distinction between the process theories and the content theories. It should be useful for the students to know that some theories focus on how motivation occurs, while others focus on what makes it work.

Fourth, we want the student to understand the particular elements of the different theories. To this end, we include a fairly detailed discussion of the different theories.

KEY POINTS

There are several key points in this chapter. The first is the distinction between the view of motivation as a psychological concept and as a management function. Of course, the specific details of the different theories of motivation are the more important facets of the chapter. These should be discussed, as well as how these theories are related to each other. You should also touch on the strengths and weaknesses of each approach. For expectancy theory, you should point out that there are different kinds of expectancies, the distinction between valences and expectancies, and the role of ability.

There are several important points that should be reintroduced about reinforcement theory. The students must be aware of the different types of consequences (reinforcements, punishment, etc.) and of the various schedules of reinforcement. The effects of reinforcement schedules and the different consequences should also be discussed. You can also demonstrate how they are related to other topics elsewhere in the book. For instance, it can be related to content theories of motivation by showing how the different needs can emerge through reinforcement processes and how different facets of work may be positively or negatively reinforcing. It can also be related to expectancy theory and to goal-setting theory. The students may also be reminded that socialization can be explained in terms of reinforcement theory. Goal-setting theory is another approach that deserves attention. There is a good deal of theoretical development and empirical support here. It is an area in which there has been much applied success and this should be

pointed out to the students. Here, particularly, there should be time devoted to how to use goal setting at work. The treatment of MBO in Chapter 9 will be especially useful.

Justice theories are the other process theories considered in this chapter. Both outcome and procedural justice are discussed in depth. Equity theory considers the different types of inequity that may develop and the way that the person resolves them is the key consideration. This can be related to other facets in organization behavior such as turnover, commitment, and withdrawal and alienation from work. Finally, in keeping with the theme of this book, we think that the organizational applications of these theories, outlined in the next chapter, should be developed.

TOPICAL OUTLINE

Motivation and Performance

What do we mean by performance?

Ability

The Role of Technology

What do we mean by motivation?

Motivation

Classes of Motivation Theories

Motivation – The Content Theories

Need Theories

Maslow's Need Theory

Figure 5.1: Maslow's Hierarchy of Needs

ERG Theory

Herzberg's Two-Factor Theory

The Job Characteristics Approach

Figure 5.2: The Job Characteristics Model

McClelland's Achievement-Power Theory

Motivation – The Process Theories

Reinforcement Theory

Figure 5.3: Types of Consequences and Their Effects

Reinforcement Schedules

Expectancy Theory

Figure 5.11: Effort-Performance and Performance-Outcome Expectancies

Goal Setting Theory

Organizational Justice Theories

Outcome Justice Theory / Equity Theory

Procedural Justice Theory

The Interaction of Outcome Justice and Procedural Justice

Figure 5.5: the Interaction between Procedural and Outcome Justice

Summary

KEY CONCEPTS

Ability
Achievement motive
Achievement-power theory
Autonomy
Belonging needs
Content theories of motivation
Contextual performance component
Continuous reinforcement schedule
Core job dimensions
Critical psychological states
Decision control
Distributive justice
Effort-performance expectancy
Equity theory
ERG theory
Esteem needs
Existence needs
Expectancy
Expectancy theory
Experienced responsibility for outcome
Extinction
Feedback
Fixed-interval reinforcement schedule
Fixed-ratio reinforcement schedules
Goal-setting theory
Growth needs
Growth need strength
Hierarchy of needs
Hygiene factors
Interactional justice
Internal work motivation
Job characteristics approach
Job satisfaction
Knowledge of results
Meaningfulness of work
Motivation
Motivators
Need
Need theory
Negative reinforcement
Outcome justice
Overpayment inequity

Perceived justice
Performance components
Performance-outcome expectancy
Personalized power motive
Physiological needs
Positive reinforcement
Power motive
Procedural justice
Process control
Process theories of motivation
Punishment
Reinforcement schedules
Reinforcement theory
Relatedness needs
Safety needs
Self actualization needs
Skill variety
Socialized power motive
Task identity
Task performance component
Task significance
Technology
Transfer of learning
Underpayment inequity
Valences
Variable-interval reinforcement schedule
Variable-ratio reinforcement schedule
Work ethic

EXERCISES

A. Achievement and Power Motivation

After ensuring that they have a good understanding of achievement motives and power motives, students can prepare a list of recognizable persons who are high on one of these motives. They can discuss what it was about the person that caused them to be put on the list.

One thing you can do with this discussion is to ask how many women are on any list. Most likely there will be a very small number. This could lead to a discussion about the role of stereotypes and motivation.

B. Goal Setting Exercise

This exercise demonstrates the effects of specific and difficult goals on performance. It shows the importance of goals as they relate to obtaining good results.

The exercise involves two lists of words (Word Association Exercise A and Word Association Exercise B are on following pages). You will need a copy of each for every student. The processing instructions that follow suggest that you begin with Exercise A.

Administration Instructions

1. Tell the students:
THIS EXERCISE DEMONSTRATES THE IMPORTANCE OF GOALS AS THEY RELATE TO OBTAINING GOOD PERFORMANCE. GOALS ARE ELEMENTS IN PLANNING AS WELL AS HAVING STRONG MOTIVATIONAL EFFECTS.
2. Distribute Word Association Exercise A, then tell the students:
THIS IS A WORD ASSOCIATION EXERCISE. THE TWO SETS OF FOUR WORDS EACH IN FRONT OF YOU ARE EXAMPLES OF THIS WORD ASSOCIATION EXERCISE. LOOK AT EXAMPLE A. READ THE FOUR WORDS IN EXAMPLE A: SLEEPING, CONTEST, SPOT, SHOP. NOW, THINK OF A FIFTH WORD THAT IS RELATED TO THE FOUR PRECEDING WORDS. WRITE THIS WORD IN THE BLANK SPACE PROVIDED. **HOWEVER, DO NOT GO ANY FURTHER UNTIL I TELL YOU TO DO SO.**

(Instructor's note: The word that fits with the first four words is the word beauty. After the students have had enough time to come up with the word beauty, give them the answer to Example A.)

3. Tell the students:
COMPLETE EXAMPLE B.

(Instructor's note: The words in Example B have the word life in common. Lifestyle, love life, life jacket and life span. Give the students 10 to 15 seconds to come up with that answer, and

then give them the correct answer. Ask them if they have any questions on how the word association game is played.)

4. Tell the students:
 YOU WILL HAVE EXACTLY 2 ½ MINUTES TO WORK ON THIS EXERCISE. I WOULD LIKE FOR YOU TO DO YOUR BEST. GO!

(Instructor's note: Start the students and allow exactly 2 ½ minutes to complete the exercise. Then read the correct answers to each of the 18 word lists. Have them then record the number of correct answers on Word Association Exercise A. The answers to Word Association Exercise A are listed below.)

ANSWERS TO WORD ASSOCIATION EXERCISE A

1. . . . ribbon blue
2. . . . sell soft
3. . . . forbidden fruit
4. . . . sapphire star
5. . . . spot blind
6. . . . fellow bed
7. . . . stone soap
8. . . . cream cold
9. . . . shine monkey
10. . . . ear dog
11. . . . wire chicken
12. . . . man wise
13. . . . house fly
14. . . . prayer evening
15. . . . pages yellow
16. . . . key ring
17. . . . box shoe
18. . . . stile turn

5. Now have the students set a specific goal for exercise B. This goal has been pretested and found to be difficult but not impossible for the students. This new goal is based upon their performance on Exercise A. It is designed to incorporate the general level of individual ability for performing this particular type of task. The following table contains the new goals for Word Association B.

Number of Correct Answers in
 Word Association A

Goal for Word Association B

TELL STUDENTS:

IF YOU GOT 1 OR 2 CORRECT

YOUR NEW GOAL IS

4

"	3 OR 4	"	"	"	"	"	7
"	5 OR 6	"	"	"	"	"	9
"	7 OR 8	"	"	"	"	"	12
"	9 OR 10	"	"	"	"	"	15
"	11 OR 12	"	"	"	"	"	17
"	13 OR 14	"	"	"	"	"	18

6. Ask the students:

IS THIS NEW GOAL CHALLENGING? IMPOSSIBLE? WRITE YOUR EVALUATION OF THE DIFFICULTY OF THIS NEW GOAL AT THE BOTTOM OF THE WORD ASSOCIATION EXERCISE A. NOW YOU WILL WORK ON WORD ASSOCIATION EXERCISE B. YOU WILL HAVE AGAIN EXACTLY 2 ½ MINUTES TO WORK ON THIS EXERCISE. DO NOT BEGIN UNTIL I TELL YOU TO BEGIN.

Now distribute Word Association Exercise B

(Instructor's note: When all the students are ready, tell them to begin and allow them 2 ½ minutes. When they are finished, read the right answers for Exercise B listed below. Have them record the number of correct items on the second task in the space provided.)

ANSWERS TO WORD ASSOCIATION EXERCISE B

- 1. . . . cover bed
- 2. . . . cent red
- 3. . . . order money
- 4. . . . dance band
- 5. . . . bitter sweet
- 6. . . . nip cat
- 7. . . . windows french
- 8. . . . house bird
- 9. . . . welfare social
- 10. . . . beam moon
- 11. . . . hearted pigeon
- 12. . . . head black
- 13. . . . time big
- 14. . . . rotten egg
- 15. . . . child first
- 16. . . . crushed ice
- 17. . . . guy fall
- 18. . . . receipts gate

Processing Instructions

This exercise is designed to demonstrate the effect of specific goals versus general goals on performance. The goal setting literature has consistently found that specific goals tend to elicit

higher performance levels than general goals. Difficult goals also elicit higher performance levels than either easy goals or impossible goals.

Our experience with this exercise has shown that of practically everyone (over 95%) perceive the second goal as "difficult" but "possible." Very few (1 or 2%) perceive it as "impossible" and about the same number perceive it as being an "easy" goal.

Here are some ideas to consider in processing this exercise. Some of the following factors account for differences in the results you attained.

1. The nature of the instructions are different. The instructions for Exercise A were very general, i.e., "Do your best." The instructions for Exercise B, on the other hand, were quite specific. According to research and theory, we expect that the performance on Exercise B would be better than performance on Exercise A. Our experience is that 60-70% of the students improve their performance from Exercise A to Exercise B. The first processing question that should be raised is: HOW MANY DID, IN FACT, DO BETTER ON THE SECOND EXERCISE THAN ON THE FIRST?
2. Focus the discussion of performance improvement around the effects of specific versus general goals and easy versus difficult goals. Then suggest why there was no improvement for others.
3. Some will not improve their performance on the second trial because they were operating at the peak of their ability on the first exercise. This could occur because of the initial suggestion by the instructor to "do your best." For these, there is no room for improvement because they cannot increase their effort.
4. Some who will do worse on the second trial. Seek suggestions as to why a decrement in productivity might prevail. Reasons that will come out are such things as (1) pressure had a dysfunctional effect on their performance, (2) some of the people were operating at the peak of their ability on the first test and (3) the random nature of such an exercise might result in less output the second time for them.
5. Some students will argue that the reason for improvement is due to "learning." We do not believe learning is a strong explanation for this particular type of task because this task is an "A-ha" task. This means that when you look at the set of four words, the answer either comes to you or it does not come to you.

Things To Look Out For

Perhaps the major difficulty is that some students will not improve their performance. You should be prepared to discuss how individual differences affect performance as we have summarized above.

WORD ASSOCIATION EXERCISE A

A.	sleeping	contest	spot	shop	_____
B.	style	love	jacket	span	_____
1.	cross	baby	blood	ribbon	_____
2.	touch	palate	soap	sell	_____
3.	tree	cup	cake	forbidden	_____
4.	dust	movie	gaze	sapphire	_____
5.	alley	date	snow	spot	_____
6.	rest	post	linen	fellow	_____
7.	opera	no	box	stone	_____
8.	storage	shoulder	comfort	cream	_____
9.	business	suit	wrench	shine	_____
10.	days	biscuit	collar	ear	_____
11.	play	breast	pox	wire	_____
12.	guy	crack	up	man	_____
13.	ball	trouser	fruit	house	_____
14.	dress	good	star	prayer	_____
15.	stone	jacket	fever	pages	_____
16.	bathtub	wedding	telephone	key	_____
17.	horse	brake	left	box	_____
18.	right	pike	your	stile	_____

Now, stop and wait for further instructions.

WORD ASSOCIATION EXERCISE B

A.	sleeping	contest	spot	shop	_____
B.	style	love	jacket	span	_____
1.	bug	rest	fellow	cover	_____
2.	see	carpet	hot	cent	_____
3.	easy	hush	belt	order	_____
4.	wagon	stand	aid	dance	_____
5.	tooth	talk	potato	bitter	_____
6.	call	nap	burglar	nip	_____
7.	bulldog	cuff	toast	windows	_____
8.	brain	watching	bath	house	_____
9.	studies	work	science	welfare	_____
10.	walk	new	scape	beam	_____
11.	clay	breast	hole	hearted	_____
12.	belt	magic	market	head	_____
13.	mouth	shot	stick	time	_____
14.	beater	head	roll	rotten	_____
15.	aid	safety	base	child	_____
16.	hockey	tea	cream	crushed	_____
17.	out	down	semester	guy	_____
18.	post	water	way	receipts	_____

Now, stop and wait for further instructions.

C. Performance Feedback

This is a very powerful exercise that illustrates how feedback influences, or controls, performance. Feedback is an important process in all of the motivational approaches discussed in the chapter. It is an exercise that takes about 10-15 minutes.

Administration Instructions

1. First, distribute the sheet entitled "Performance Feedback" to the students, then read the following to them:
BEHAVIOR IS A FUNCTION OF ITS CONSEQUENCES. PEOPLE TEND TO DO OVER AND OVER AGAIN THOSE THINGS THAT ARE FOLLOWED BY GOOD OUTCOMES (OR REINFORCERS). WE TEND TO STOP DOING THINGS THAT ARE FOLLOWED BY BAD CONSEQUENCES (CALLED PUNISHMENT) OR THAT ARE FOLLOWED BY NOTHING (CALLED EXTINCTION). THERE ARE MANY CONSEQUENCES THAT MAY BE REINFORCING TO ANY GIVEN INDIVIDUAL SUCH AS MONETARY REWARDS, SOCIAL REWARDS, STATUS SYMBOLS, AND OPPORTUNITIES TO DEVELOP SKILLS. ALSO NO TWO PEOPLE ARE LIKELY TO AGREE ON EXACTLY JUST WHAT IS REWARDING AND WHAT IS NOT.

HOWEVER, ONE OF THE MOST POTENTIALLY POWERFUL CONSEQUENCES FOR SHAPING DESIRABLE BEHAVIOR IS THE INFORMATION ABOUT WHETHER THE PERSON WAS SUCCESSFUL AT THE TASK HE OR SHE JUST ATTEMPTED OR DID THE PERSON FAIL. THIS TYPE OF CONSEQUENCE IS CALLED PERFORMANCE FEEDBACK. THE POWER BEHIND THIS APPROACH IS THAT MOST OF US LIKE TO GET IT RIGHT AND DO NOT LIKE TO GET IT WRONG. THIS CONSEQUENCE IS MOST EFFECTIVE WHEN THE PERSON CAN TELL DIRECTLY FROM THE JOB WHETHER HE OR SHE WAS SUCCESSFUL (SUCH AS HITTING A GOLF BALL AND OBSERVING WHERE IT WENT) OR WHEN THE PERSON CAN FULLY TRUST THE PERSON WHO IS INFORMING HIM ON HOW WELL HE DID.
2. Ask the students to carefully read the instructions on the Performance Feedback sheet, then restate the sequence of events. Tell them:
FIRST, YOU WILL GUESS WHAT THE CORRECT ANSWER IS ON THE FIRST TRIAL BEFORE I TELL YOU THE CORRECT ANSWER. AFTER YOU HAVE MADE A PREDICTION, I WILL TELL YOU THE ANSWER. NEXT, YOU WILL GUESS THE CORRECT ANSWER FOR TRIAL NUMBER 2, AFTER WHICH I WILL GIVE YOU THE CORRECT ANSWER FOR TRIAL NUMBER 2. WE WILL CONTINUE THIS WAY FOR THE REMAINING TRIALS OF TASK NUMBER 1.

THEN WE WILL USE THE SAME PROCEDURE FOR TASK NUMBER 2 AND NUMBER 3.

(Instructor's note: This instruction should probably be repeated since the students often think they have misunderstood.)

3. You will now begin the shaping exercise. Tell the students,
 AT THIS TIME, MARK YOUR ANSWER TO TRIAL NUMBER 1 OF TASK
 NUMBER 1. MARK YOUR PREDICTION OF THE ANSWER WITH A CHECK
 MARK. THEN MARK THE CORRECT ANSWER THAT I WILL GIVE YOU WITH
 A CIRCLE.
 (This allows the students to count the number of correct responses later.)
 Tell the students,
 ANSWER TO THE FIRST TRIAL IS NUMBER ONE.

Next tell the students:

GUESS THE ANSWER TO THE SECOND TRIAL.

When they have made a guess, tell them:

THE ANSWER TO THE SECOND TRIAL IS NUMBER ONE.

Repeat this same process for the remaining 13 trials on task number 1. Make sure that the student responds first. Only after they have responded should you give them the correct answer. The correct answers for the remaining trials follow:

The correct answer for trial number 3 is 5.

Trial #4 is 1.

Trial #5 is 5.

Trial #6 is 5.

Trial #7 is 1

Trial #8 is 5.

Trial #9 is 1.

Trial #10 is 1.

Trial #11 is 5

Trial #12 is 5.

Trial #13 is 5

Trial #14 is 1.

Trial #15 is 1.

4. Go to Task Number 2 and use exactly the same procedure. The trial number and answers are:

Trial Number Correct Answer

1 B

2 B

3 C

4 B

5 C

6 C

7	B
8	B
9	B
10	C
11	C
12	B
13	C
14	C
15	C

5. Repeat the same process for Task Number 3. The trial numbers and answers are:

<u>Trial Number</u>	<u>Correct Answer</u>
1	50
2	50
3	10
4	30
5	10
6	50
7	30
8	10
9	50
10	50
11	30
12	30
13	50
14	10
15	30

Processing Instructions

- Without telling the students what responses you wanted to obtain from them, ask them
HOW MANY DID YOU GET CORRECT IN THE LAST FIVE ATTEMPTS.

(Instructor's Note: The students will assume that their responses are correct only when they have guessed the exact number.)

The behavior which the exercise (Task 1) was designed to shape, however, is that they give responses on the extreme ends, i.e., either 1's or 5's. It is not expected that they predict the exact number.

In task number 2, intermediate scale responses B and C were the intended behaviors. In task number 3, responses in the odd numbered columns (Columns, 1, 3, and 5 were the intended outcomes).

2. Now, ask the students,

WHAT BEHAVIOR DID I WANT IN TASK NUMBER 1?

(Instructor's note: Have them offer their opinions on your intention. When you have had several different views, tell them that you were wished the extreme scale responses, therefore either 1 or 5 is correct.)

Now, ask them,

WHAT IS THE NUMBER OF CORRECT RESPONSES IN THE FIRST 5 TRIALS AND IN THE LAST 5 TRIALS.

(Instructor's Note: Have them compare the number correct in the first 5 predictions and in the last 5 predictions. You can point out to them the effect of learning.

You can also have them compare the number that they recorded as having being correct in the last 5 predictions with their response. This comparison demonstrates that people often are unaware that their behavior is being shaped or influenced when it is, in fact, being affected quite strongly.

3. Repeat the same processes for questions 3 and 4. Instruct them,

COUNT THE NUMBER OF CORRECT RESPONSES IN TASK 2 AND TASK 3.

(Instructor's note: You can then indicate what responses you were seeking, as above.)

4. Ask:

WHAT ARE THE IMPLICATIONS FOR MANAGING OTHERS?

(Instructor's note: Managers want particular results and the analog in this exercise is that the instructor wants the students to select numbers which fit a particular pattern. If the intent is to have the students select those numbers we wish, then it is necessary to give them feedback about the desired behaviors - or actions. We can improve performance by giving feedback.

5. Ask:

HOW DOES SHAPING AND REINFORCEMENT, CONCEPTS DISCUSSED EARLIER IN THE TEXT, RELATE TO MOTIVATIONAL STRATEGIES?

(Instructor's note: This exercise shows how behavior can be shaped by what has happened. It also shows how expectancies can affect behavior. The students expect, for example in Test #1, that the next number will be a 1 or a 5. They act on that belief and most of them will guess a 1 or a 5, especially on the last five trials.)

Things To Watch Out For

Students often find it initially difficult to understand the exercise instructions. They find it hard to believe that they must guess the right answer before they have been told the correct answer. However, once they have done this for 2 or 3 trials, they pick up the idea very rapidly. You will be able to work through the 15 trials in very little time.

We have also found that doing only two of the three tasks is just as effective and less time consuming.

PERFORMANCE FEEDBACK

Following are three sets of exercises to demonstrate the power of performance feedback. Your only requirement is to make a sincere effort to "get it right." Do not be seduced by the apparent simplicity of this exercise; it lies at the basis of probably the most powerful determinant of managerial effectiveness. **Stop here and wait for instructions.**

	Task 1					Task 2						
	1	2	3	4	5	1.	A	B	C	D	E	
1.	_____	_____	_____	_____	_____	1.	_____	_____	_____	_____	_____	2.
2.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	3.
4.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	4.
5.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	5.
6.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	6.
7.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	7.
8.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	8.
9.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	9.
10.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	10.
11.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	11.
12.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	12.
13.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	13.
14.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	14.
15.	_____	_____	_____	_____	_____		_____	_____	_____	_____	_____	15.

	Task 3				
	10	20	30	40	50

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____

CHAPTER 5 STUDY QUESTIONS

1. Why are managers so deeply interested in motivation? Why is it important for managers to know the different definitions of motivation?

The interest of most managers in motivation stems from their knowledge that highly motivated people put forth more effort and therefore are likely to achieve higher levels of performance. They would like, generally, to get a higher level of motivation from the current group of employees or add personnel who are more motivated. The catch in this line of reasoning is that they wish to gain this higher level of motivation at no added cost. This is a rational position from their perspective, though it is not possible. It is rational because if the higher level of motivation can be obtained at no cost, then the increases in performance are free to the manager and the organization. However, it is not possible because the maintenance of a highly motivated work group takes time, effort, and money. It is not free. Selection, compensation, and other human resource management programs must be in place to support the level of high motivation desired.

2. Differentiate between content theories and process theories of motivation.

Any theory has a dominant theoretical perspective, and motivation theory is no exception. It has been traditional in OB to differentiate between content and process theories of motivation. Content theories of motivation tend to explain behavior in terms of specific factors which cause the behavior, that is, needs such as growth needs or the hygiene factors or motivation factors of Herzberg's model. Process theories, on the other hand, explain how the behavior occurs. Reinforcement theory discusses the relationship between consequences of behavior and the likelihood that it will occur again in the future. These theories tend to be only general in terms of the specific factors which are the causes.

As we have noted in the text, there are some places where content and process theories overlap. Something must, for example, operate as a reinforcer (a process approach) such as pay or recognition (an element of certain content models).

3. Compare and contrast the approaches of Maslow, Alderfer, and McClelland.

Each of these are needs theories but with different perspectives. Maslow's model and Alderfer's are alike in that the needs which they posit are similar. Maslow's needs are physiological, safety, belonging, esteem, and self actualization. Alderfer's needs are existence (which include physiological and security needs for material things), relatedness (interpersonal security needs, love and belonging, and other needs of an interpersonal nature), and growth (need for esteem and self- actualization).

An important difference is the way the models propose that the needs are activated. In general, Maslow suggests that higher-order needs are not activated (do not become important as motivators) until lower-order needs are satisfied. A distinction in the Alderfer approach is what happens when higher-order needs are not satisfied. He suggests that (1) when relatedness needs

are not fulfilled, existence needs will be increasingly sought and (2) the less growth needs are fulfilled, the more relatedness needs will be sought.

McClelland's perspective is very different. He does speak of a hierarchy of needs (or more precisely, motives). However, the dominant motive in the hierarchy may differ among people as a function of socialization. Among the motives in this approach (those with which we are most concerned in this book) are achievement needs and power needs. McClelland suggests that the dominant need in the motive cluster and its strength result from early life experiences. That is, a person who is reinforced for doing well in school, in early work experiences, and at home is likely to have stronger achievement than one who has had failure experiences.

4. Discuss the key elements of the job characteristics approach to motivation. Analyze the motivational character of a job you have had in terms of the approach.

The key elements of the job characteristics approach are task characteristics and the person's psychological state. The intention of redesigning a job is to create a psychological state in which one experiences a job that is meaningful, for which he or she is responsible, and from which he or she obtains some knowledge of results.

These states may be achieved, according to this theory, by increasing the number of different skills required at work, task identity, the significance of the task, autonomy and feedback. You should point out that the theory is quite clear in not predicting direct increases in output, but it does predict higher quality work, less absenteeism, and higher satisfaction. Also, the creators of this theory believed that the approach works best for persons with high growth need strength.

For this question you should also attempt to have students describe some of their own work experiences and the extent to which the jobs possessed the characteristics discussed in the theory. By drawing them out on these factors you should be able to demonstrate the motivating potential of jobs with a more enriched character.

5. What are the characteristics of a person high in achievement motivation? Power motivation? What is the difference between personalized power motivation and socialized power motivation?

To say that one is high in achievement motivation means that the achievement motive is at the top in their motive structure. Achievement cues will activate their drive to perform. They tend to prefer situations in which (1) success can easily be attributed to the person, not the context (such as luck of other people), (2) there is a moderate level of risk rather than a high or low level, and (3) there can be concrete feedback about performance.

The person with high power motives has a need to have a strong impact on others. It can be manifested in several ways, such as (1) by taking strong actions toward others, giving help or assistance, or trying to impress them; (2) by acting in ways that elicit strong emotions of others or; (3) taking strong actions to develop or preserve one's reputation.

The main differences between personalized power and socialized power are (1) the person with high personalized power needs is not inhibited in the use of power and power is directed toward others in an adversarial way; a person with socialized power needs is inhibited in the use of power and it is directed toward the good of the organization or the social unit.

6. What are the key concepts of expectancy theory? Describe the relationship between the concepts of expectancy theory. What is the theory seeking to predict?

Expectancy theory seeks to predict the level of motivation. The key concepts are: (1) expectancy; (2) valence; (3) outcomes. An expectancy is a probability estimate that a particular type and level of effort will lead to some outcome or set of outcomes. There is an effort-performance expectancy in which the level of some outcome is related to the level of performance. The performance-outcome expectancy is one in which the level of effort is related to the level of performance. The performance-outcome expectancy is the probability that the performance will lead to either a positive or negative outcome.

Valence is the individual's preference, or desire for a particular outcome. An outcome that has a strong positive valence is one desired by the person. Outcomes are the result of the effort. There are multiple outcomes for most actions.

Expectancies and valences are determinants of the level of motivation. You should point out that ability is an important ingredient in the equation that leads to performance.

7. What are the concepts in goal-setting theory? What is the relationship between participation in goal setting and goal success? Do you agree with this? Explain.

The fundamental ideas in goal-setting theory are that specific and difficult goals will lead to higher performance. This result has been demonstrated very strongly in almost every type of research. One of the major problems the authors have with some of the current constructions of goal-setting theory is the way that participation is treated. The evidence against participation is derived from laboratory studies using very simple goals with college students in contrived settings. From this one might conclude, at best, that participation makes no difference in simple tasks. However, the evidence on participation and complex goals, such as those of most managers, is far from persuasive. Some research has shown that participation is important, but it must be general to the whole work context, not just to the goal-setting activity. More recent research has shown that the level of participation may not directly affect the level of performance, but that it does so through commitment. To the extent that participation increases commitment to higher goals, it will facilitate higher performance.

8. Distinguish between the different consequences of behavior in reinforcement theory.

There are four types of consequences that follow behavior in reinforcement theory. Positive reinforcement occurs when consequences increase the likelihood that a response will occur

again. It occurs when a consequence is applied after the response. Negative reinforcement occurs when an undesirable consequence is removed after a response. It also increases the likelihood of the response in the future.

Punishment occurs when either desirable consequences are withdrawn or when negative consequences are applied. Punishment is not negative reinforcement because punishment diminishes the likelihood of the response.

Extinction is the fourth effect that the consequence of behavior may induce. Extinction occurs when consequences are no longer applied to a response, leading to an extinction of the response. Remember to point out that another important element in reinforcement theory is the schedule of reinforcements. The strength of behavior is a function of the consequences and the rate at which they are applied.

ETHICAL, DIVERSITY, AND GLOBAL ISSUES**A Question of Ethics:
Motivational Practices and Unethical Behavior**

In the early 1990s, Sears had a set of procedures and a compensation program for mechanics that motivated them to cheat customers. Mechanics were charging customers for service never performed or parts not installed. Sears, at the time of the problem, didn't have any controls for either poor or unnecessary work. With high sales quotas, the mechanics found that it was a simple matter to pad customer bills, and they were rewarded for it. After the problem was uncovered, Sears took action to solve it, changing the method of compensation and the quality control system. However, as late as 1999 Sears was again faced with similar suits. Apparently someone in the company never got the message.

Sears is not alone with this type of problem. There are studies that show that nearly 50% of workers in American firms acted in unethical or illegal ways such as disregarding quality standards, abusing sick leave, lying to someone at work, deceiving customers, or taking credit for someone else's work. In part, this kind of behavior is because some people are not completely honest. However, some of this behavior is actually motivated by company policies and management practices. It seems that over 50% of all workers feel pressure to act in illegal or unethical ways-and the pressure is worse than it was 5 years ago.

What this means is that the motivational practices in some firms are such that they encourage illegal or unethical action. The reasons are pretty simple. Companies in today's global economy are subject to severe competitive pressures to keep costs down and to increase revenue. Managers often set difficult objectives for subordinates and do not care how these goals are achieved. And the employees are worried because if they don't perform as expected, they might be fired or, if the firm doesn't do well, downsizing is a threat. Situations like this lead to a climate and culture that oftentimes motivates socially and organizationally undesirable actions by employees.

Source: Asapted from Greengard (1997)

**Diversity Issues:
Managing Performance of the Educable Mentally Handicapped**

Usually when we think about high work performance we have in mind a situation in which a specific job has some defined acceptable level of output that is exceeded. When a person doesn't have the ability to achieve that acceptable level, our tendency is to see him or her as less than competent. However, the example of what the Marriott Hotels of Chicago in conjunction with the International Association of Machinists (IAM) have done to accommodate to problems of the educably mentally handicapped employees can be helpful to understand the Performance/Motivation/Ability relationship.

In general, most of the entrance level jobs at the Chicago Marriott are too complicated for many educably mentally handicapped people. However, through a joint program of the hotel and the IAM, there has been a good deal of success in training and placing these workers in productive jobs. What did they do?

First, jobs were selected that these employees can handle reasonably well—the jobs are selected properly. For one thing, most of the employees work in jobs that don't require contact with guests. They work, for example, in the laundry, housekeeping, or in other areas in which they work as members of a team or group. Some have even worked in the Human Resource Department doing light office work.

Second, there was a serious attempt to redesign tasks, where possible, so that the employees' limitations did not limit their performance. For instance, a bell-station job was redesigned so that the person doing was not assigned the task of handling luggage for guests, but rather had the responsibility for cleaning and polishing the carts.

You can see from this approach how motivation and ability are related to affect performance. By redefining what was acceptable performance (i.e., only maintaining the appearance of luggage carts but not handling the luggage), the employees' ability was sufficient, if they were motivated, to do the job.

Incidentally, motivation wasn't a problem for any of these employees. Not only did the hotel find these employees effective at the work, there is also a lower level of turnover among this group.

Source: Adapted from Laabs (1994)

**Global Focus:
International Pay and Equity**

One of the more serious problems that multinational firms face is how to pay their expatriate managers. An expatriate (expat) is a manager from one country (say France) who is working in another country (say Australia) who will return to his or her country of origin for a subsequent assignment. The problem stems from how the pay of the expat is determined.

One common way is to start with the home-based gross income, add or subtract a cost of living allowance (usually firms won't subtract, just add), add a housing allowance, add any incentives such as mobility or hardship premiums, then adjust for tax differences. The other way to pay expats is to base their compensation on the host country, that is, where they are working. In this case, you start with the local salary equivalent for the job and add some mobility premiums.

Either way can create equity problems. For example, the first approach makes the expat's pay equitable to his or her colleagues in the home country from which they came. This strategy means that the firm wants its expat managers to have a life style similar their home colleagues while the second implies that the expat will live like a local manager. If the pay allows the expat to live above the standard of living of his local colleagues, they will experience inequity. However, if the second strategy is used, it implies that the company thinks it is important that the manager live like the others that he or she works with locally. This might result in lower local inequity, but perhaps a sense of inequity on the part of the expat who has a sense of falling behind those in the home office

Source: Adapted from Frazee (1998)

CASE: NATIONAL OIL COMPANY**Case:
National Oil Company**

National Oil Company was one of the most profitable oil companies in the United States although it was only medium-size compared to the industry giants. In the early 1970s income soared as the OPEC nations raised the price of oil to heights only imagined before. Many of the oil companies such as National found themselves awash in cash and expanded their work force and provided their employees with very high salaries and benefits. Investments from the general public rose also to new heights. The morale of the company's employees was very high and the company attracted many top graduates of the better universities in the nation. However, the price of oil began to drop to more normal levels over the next several years and, while it took some adjusting, National and the other firms were able to be profitable.

In the late 90s, though, the price continued to drop, this time very low levels. For example, from September 1998 to January 1, 1999 the price dropped from around \$15 a barrel to \$12. As the price of oil slumped and investments in the industry fell off, National Oil Company was forced to change some of its strategic plans and had to lay off some of its work force. The layoffs amounted to only about 6 percent of the company's employees, but a shock went through the company and morale plunged. A significant number of the company's best new employees who were not laid off quit the company anyway. The company's personnel office wondered what to do about the problem.

What would you suggest to them? Explain.

Case Discussion: National Oil Company

From the perspective of Maslow the answer would appear to be based on the fact that the security needs of the employees are threatened. Thus, the appropriate strategy would be some action to demonstrate that this will not be a problem. For example, the personnel department could distribute the plan for adapting to the cutbacks showing, perhaps, how normal attrition will affect cutbacks. In addition, early retirement plans and outplacement support for those who might be released could be part of this program reducing the threats to security needs.

CASE: PAUL PETER'S RAISE

**Case:
Paul Peters' Raise**

It was Friday afternoon and Paul Peters, a computer programmer at the Kalamazoo Lock Company, was feeling nervous. So was his boss in the nearby office, Ms. Fenwich. The time had come for Paul's first annual performance appraisal interview.

Paul felt he had performed well in the first year, especially in the past six months. But it was always hard to tell what Ms. Fenwich thought, because she was usually busy, as well as being the quiet type. He didn't know how she felt about some of the mistakes he had made or how many of them she knew about. Paul did try to make some of his recent improvements apparent to Ms. Fenwich, but she hadn't said much about them either.

Before inviting Paul into her office, Ms. Fenwich had reviewed the year and concluded that Paul needed a lot of improvement. His early mistakes had been costly in time and money to the company. But he had shown some progress. The question was how much, and whether to give Paul a merit raise. Ms. Fenwich disliked appraising performance, but she took a deep breath and called Paul into her office.

After a friendly greeting, Ms. Fenwich pointed out Paul's good work and attitude. She pointed out how much she appreciated a recent program that Paul had written, which Paul took as a pleasant surprise. He also enjoyed finding out that Ms. Fenwich thought he had a good attitude.

Then the boom fell. Ms. Fenwich began to recount several of Paul's early errors, especially the time he was late with an inventory control program which took a long time to debug. After ten minutes of this, Paul became quite tense, because he was getting hit with more surprises and wasn't given much of a chance to defend himself.

But much to Paul's surprise and relief, Ms. Fenwich informed him that she was going to give him a merit increase anyway. She said, "Despite the fact that we both know you didn't have a good first year, the merit increase gives you an incentive to improve the coming year. It's our way of saying we have faith you can earn this raise by better and better performances."

With that, the appraisal interview ended. Paul went back to his desk pleased about the merit money, but feeling a bit bewildered. A number of things were still bothering him.

1. Did Ms. Fenwich use good learning and reinforcement techniques in Paul's first year? Explain, What effect did this have on Paul?
2. Will the merit raise act as an incentive for Paul to improve performance, or will he view it as a reward for past performance?
3. Paul is likely to experience cognitive dissonance because he received two conflicting messages: he was told he didn't have a good year; and he was given a merit raise. How can Paul

reduce this dissonance?

4. How would you use expectancy theory and reinforcement theory to improve Paul's performance?

Case Discussion: Paul Peter's Raise

1. Did Mrs. Fenwich use good learning and reinforcement techniques in Paul's first year? Explain what effect this had on Paul.

Here are some problems with this situation:

- Paul's work occurred throughout the year but there will only be one pay consequence at the end of the year.
- Paul can't be sure whether his increase was higher because of the good things he did or lower because the poorer aspects of his performance. The reward was not linked to the behavior.
- Mrs. Fenwich did not link his increase to past results, but to what he is supposed to do in the future.
- Most likely, Paul felt punished by the surprising negative evaluation and the performance review itself. So what he learned was to avoid performance appraisals if possible.

2. Will the merit raise act as an incentive to improve performance or as a reward for past performance?

One of the rules of reinforcement was violated, that is, "Reward after Performance." It is unlikely that Paul sees the raise as a reward for past good performance because, as Fenwich says, it was a bad year. Most likely he will think what he did wasn't all that bad, otherwise he would have received even less.

3. Paul is likely to experience cognitive dissonance because he received two conflicting messages: (1) He was told he didn't have a good year and (2) He was given a merit raise. How can he reduce the dissonance? One way is to believe that his performance wasn't as bad as he was told. Another to believe that merit raises are not raises for performance, but represent "cost of living" increases.

4. How would you use expectancy theory or reinforcement theory to improve Paul's performance?

From a theoretical perspective the answer is simple. There must be a stronger link between the performance-outcome expectancy. This will occur when Paul believes that performance will lead to rewards. This will happen when rewards follow performance, or performance is reinforced.

From the applied perspective, this is difficult to achieve. We have explained some of these difficulties in the various parts of the chapter.