

given work situation. In South Africa, with its critical shortage of skilled workers, it becomes increasingly important for managers to address the ability component of the performance equation.

In addition to motivation and ability, the employee should have the opportunity to perform. In other words, the work environment should be supportive. The employee must have adequate resources, such as tools, computers, equipment, materials and supplies to be able to do the work<sup>3</sup>. Conducive working conditions, helpful co-workers, supportive policies and procedures, sufficient information to make job-related decisions, and adequate time to do a good job are factors that influence worker performance. Work performance is also influenced by a person's values and attitude, perceptions, learning, emotional intelligence, and so on (see Chapter 17). The positive attitude of employees towards themselves, their colleagues, their organisation, and even the country where they work, may contribute to workforce motivation.

### Global Competitiveness Index<sup>4</sup>

'South Africa was ranked as the 52nd most competitive country out of 144 surveyed in the 2012/13 World Economic Forum's Global Competitiveness Index, making it the second highest ranked country in Africa after Tunisia (32nd). It ranked third among the BRICS' economies, with China at 29 and Brazil at 48.

Conducted by the World Economic Forum (WEF) in partnership with leading academics and a global network of research institutes, the index calculates its rankings from publicly available data and a poll of business leaders in 144 economies. The main goal of the report is to evaluate countries' economic environment and their ability to achieve sustained levels of prosperity and growth.'

South Africa benefits from the relatively large size of its economy, particularly by regional standards,

ranking 25th overall for market size. The strength of auditing and reporting standards and efficiency of corporate boards both ranked first, while the protection of minority shareholders' interests ranked second out of all 144 economies in the survey. The most impressive achievement of the country is its financial market development, for which it ranks third overall, 'indicating high confidence in South Africa's financial markets at a time when trust is returning only slowly in many other parts of the world!'

Weaknesses that the country will have to address in order to improve its competitiveness include improvement of its infrastructure and its poor labour market efficiency. In addition, security and the health of the country's workforce are areas of concern.

## 20.3 THE MOTIVATION THEORIES

The basis of theories on human behaviour is careful observation. Consequently, theory and practice usually relate to each other. Although theories can never predict behaviour with certainty because there are too many variables to take into account, they can provide managers with a good indication of how people might behave in various circumstances.

We classify motivation theories in terms of content, process, and reinforcement theories as shown in Table 20.1 on the next page.

### LEARNING OBJECTIVE 3

Differentiate between content theories, process theories, and reinforcement theories of motivation.

**Table 20.1:** Classification of motivation theories

	Content theories	Process theories	Reinforcement theories
Focus	<ul style="list-style-type: none"> <li>Identify the needs that employees want to satisfy</li> <li>Identify the factors that influence the behaviour of employees</li> </ul>	<ul style="list-style-type: none"> <li>The process of goal setting</li> <li>Evaluation of satisfaction after goals have been achieved</li> </ul>	<ul style="list-style-type: none"> <li>Behaviour as a function of its consequences</li> </ul>
Theories/models	<ul style="list-style-type: none"> <li>Maslow's hierarchy of needs model</li> <li>The ERG theory of motivation</li> <li>Herzberg's two-factor model</li> <li>Acquired needs theory</li> </ul>	<ul style="list-style-type: none"> <li>Equity theory</li> <li>Expectancy theory</li> </ul>	<ul style="list-style-type: none"> <li>Reinforcement theory</li> </ul>

**LEARNING OBJECTIVE 4**

Discuss the content theories.

**content theories of motivation**

deal with the 'what' of motivation

**Maslow's hierarchy of needs model**

five levels of needs arranged in a hierarchy from lower-order to higher-order needs

**20.3.1 Content theories of motivation**

The **content theories of motivation** are associated with the work of researchers such as Maslow, Herzberg and McClelland. These theories attempt to answer some of the following questions: What needs do people want to satisfy? What are the factors that influence individual behaviour? According to this perspective, people have needs that they wish to satisfy, which in turn direct their behaviour towards satisfying these needs.

**Maslow's hierarchy of needs**

Abraham Maslow, a psychologist, formulated one of the most familiar theories of individual motivation. Maslow based his hierarchy of needs theory on two important assumptions:

1. People always want more, and their needs depend on what they already have. A need that has already been satisfied is not a motivator, only unsatisfied needs can influence behaviour.
2. People's needs arise in order of importance. When one need has been partially satisfied, the next one will come forward to be satisfied.

Figure 20.2 on page 474 illustrates the hierarchical order of human needs according to Maslow's classification, separated into higher- and lower-order needs. Physiological and security needs are lower-order needs. Extrinsic rewards (rewards provided by the organisation) generally satisfy these needs. Affiliation, esteem, and self-actualisation are higher-order needs, satisfied by intrinsic rewards (rewards experienced directly by the individual).

The five levels in **Maslow's hierarchy of needs** model are:

1. Physiological needs. In organisations, these needs represent the most basic level in the hierarchy and comprise such needs as salary or wages and basic working conditions. As long as these needs are unsatisfied, employees will strive to satisfy them. However, once these needs are satisfied, they no longer influence behaviour. Most

employees belong to labour unions, which negotiate for higher wages and basic working conditions to ensure that these basic needs of their members are satisfied.

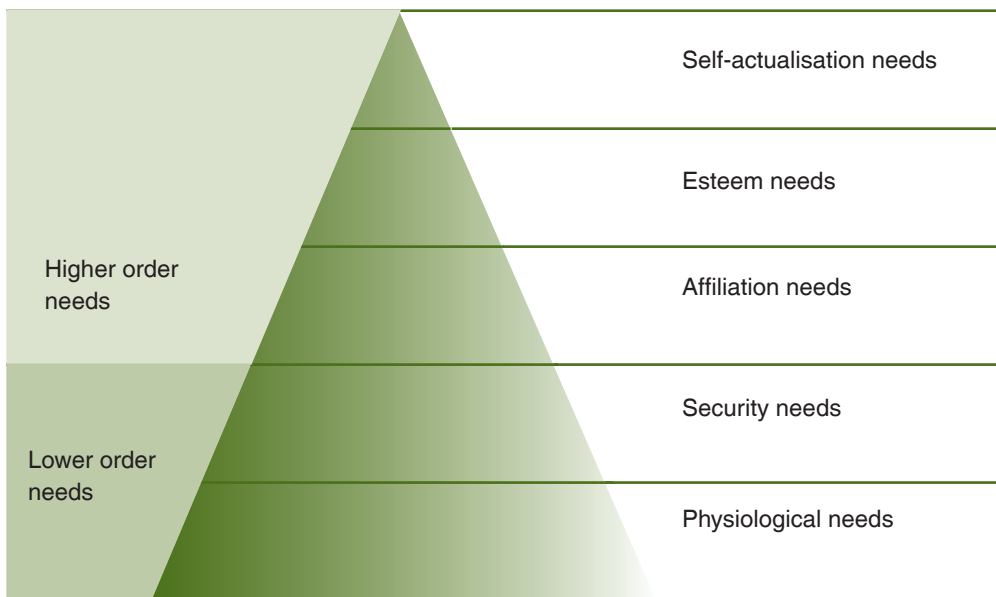
2. **Security needs.** Once a person's basic physiological needs have been satisfied, his or her security needs come into play. Security in the workplace, job security, insurance, medical aid schemes and pension schemes satisfy an individual's need for security.
3. **Social needs.** These are the needs for love, friendship, acceptance, and understanding by other people and groups of people. In organisations, people join different groups to satisfy their social needs. By forming work groups, teams, and encouraging sufficient interaction among employees, managers can ensure that the organisation meets their employees' social needs. At Google, they go out of their way to address their employees' social needs. For example, at lunchtime, almost everyone eats in the office café, sitting at whatever table has an opening and enjoying conversations with peers from different teams.
4. **Esteem needs.** This higher-order need is the need for self-respect and recognition by others. The need for success, recognition and appreciation of achievement are examples of esteem needs. It is in this area in particular that managers can play a significant role in satisfying the needs of their employees, for example, by rewarding high achievement with recognition and appreciation.
5. **Self-actualisation needs.** The highest level of Maslow's hierarchy of needs is the need for self-actualisation. This represents the apex of human needs. Self-actualisation is the full development of an individual's potential. The need for self-actualisation is the most difficult to satisfy in an organisational context. Managers can help by creating a climate in which self-actualisation is possible, for example, by providing employees with skills development, the chance to be creative, and the opportunity to have complete control over their jobs. Google is a prime example of an organisation that addresses this need, where all employees' creative ideas matter and are considered worth exploring. Employees have the opportunity to develop innovative new products that millions of people will find useful.

### **Maslow's hierarchy of needs theory in perspective**

Although Maslow's hierarchy of needs provides an adequate explanation of human needs in organisational settings, contemporary managers realise that they cannot confine their employees' needs to a simple five-step hierarchy. The following are some of the criticisms of the theory.

1. During certain periods of their lives, people reorder the levels of the hierarchy in their personal lives. For example, when a company retrenches a director unexpectedly, his lower level needs resurface.
2. It is very difficult to determine the level of needs at which an individual is motivated at a specific time.

3. Managers work with many employees and in large organisations. It is difficult, if not impossible, to determine on which level each employee's unsatisfied needs are. This is especially true in South African organisations where the ratio of managers to subordinates is very high.
4. Individuals differ in the extent to which they feel that a need has been sufficiently satisfied. The extent to which employees are motivated to pursue money, recognition, or other need satisfiers differs from one individual to the next.



**Figure 20.2:** Maslow's hierarchy of needs model

Source: Smit, P.J., Cronje G.E., Brevis T. & Vrba M.J. 2011. *Management Principles: A contemporary edition for Africa*. 5<sup>th</sup> edition. Cape Town: Juta Publishers.

### **Management applications of Maslow's hierarchy of needs motivation theory**

Managers may ask the following questions: What is the value of Maslow's hierarchy to me as a manager in South Africa? What are the possibilities for applying this hierarchy of needs? What are the benefits and limitations of the model?

It is evident that a number of difficulties arise in the practical application of the theory. However, despite the criticism against it, Maslow's hierarchy of needs has intuitive appeal because it is easy to understand. The theory highlights important categories of needs and differentiates between higher-order and lower-order needs. Most importantly, it stresses the importance of personal growth and self-actualisation in the workplace.

Managers can apply Maslow's theory by providing for the physiological and security needs of their employees. They can include employees in groups and teams to satisfy their social needs, and they can create working environments where the higher-order needs (esteem and self-actualisation) of their workers can be satisfied.

### The ERG theory

Clayton Alderfer refined Maslow's theory by dividing Maslow's five needs into three broader categories of needs, namely existence needs, relatedness needs and growth needs (**ERG theory**).

1. Alderfer's existence needs correspond to Maslow's physiological and physical safety needs.
2. The relatedness needs focus on how people relate to others and correspond to Maslow's social needs.
3. Growth needs relate to Maslow's esteem and self-actualisation needs.

The theory differs from Maslow's theory because Alderfer suggested that more than one level of needs can motivate at the same time, for example, a desire for friendship (relatedness) and the need for a promotion (growth) can simultaneously influence the motivation of an individual. The ERG theory also has a 'frustration-regression aspect', which means that if needs remain unsatisfied, an individual may become frustrated and revert to satisfying lower level needs. The ERG theory is more flexible than the rigid hierarchy of needs theory which states that one level of needs must be satisfied before the next level will come to the fore. The management implications of the ERG theory is that employees strive to satisfy various needs and that if their higher-order needs are not met, they may regress to satisfying lower-order needs.

### Herzberg's two-factor motivation theory

In the 1950s, Frederick Herzberg conducted a study to examine the relationship between job satisfaction and productivity within a group of about 200 accountants and engineers. He found that the factors leading to job satisfaction were separate and different from those leading to job dissatisfaction – hence the term 'two-factor model'. Figure 20.3 on the next page shows the two-factor model.

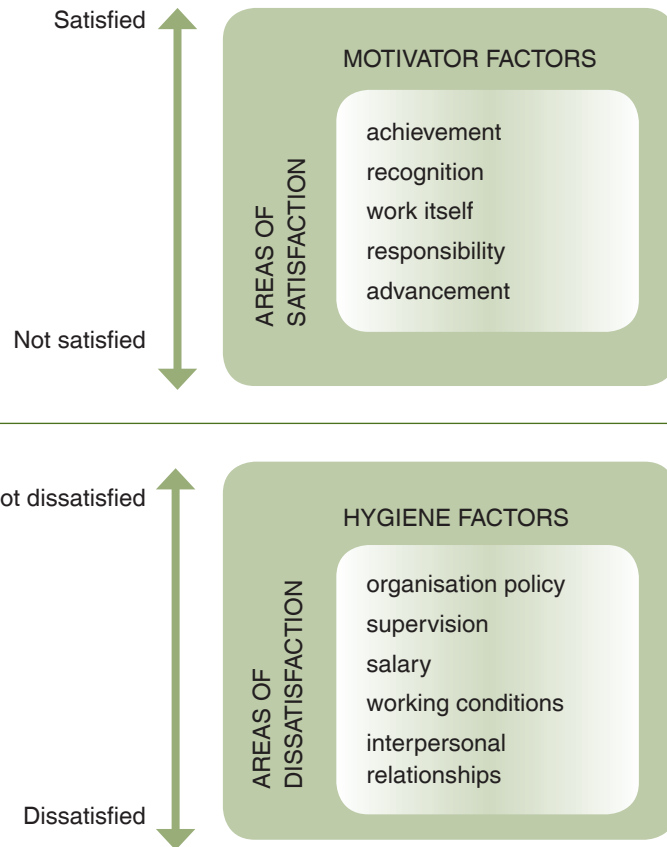
Herzberg termed the sources of work satisfaction 'motivator factors'. These include the work itself, achievement, recognition, responsibility, and opportunities for advancement and growth. These factors relate to job content (what people actually do in their work) and are associated with positive feelings about their work. In the case of Google, all employees have the opportunity to develop innovative new products that millions of people will find useful. The employees have the opportunity to grow and advance in an environment where the organisation welcomes and recognises creativity and new ideas.

### The ERG theory

categorises human needs into three broad categories: existence, relatedness and growth needs

### Herzberg's two-factor motivation theory

distinguishes between hygiene factors (job context) and motivators (job content)



**Figure 20.3: Model of Herzberg's two-factor theory**

Source: Smit, P.J., Cronje G.E., Brevis T. & Vrba M.J. 2011. *Management Principles: A contemporary edition for Africa*. 5<sup>th</sup> edition. Cape Town: Juta Publishers.

Herzberg termed the sources of work dissatisfaction 'hygiene factors'. These are factors in the job context, including salary, interpersonal relations (supervisor and subordinates), company policy and administration, status and job security. If the organisation provides adequately for hygiene factors, there will be no dissatisfaction. However, if they are not in place, it will cause dissatisfaction. Herzberg found that hygiene factors are associated with individuals' negative feelings about their work and these factors do not contribute to employee motivation. At Google, there are many examples of hygiene factors, such as lunches in the cafeteria and a variety of benefits including a choice of medical programmes, stock options, maternity and paternity leave, and much more.

An interesting aspect of Herzberg's theory is that he classifies salary as a hygiene factor, which will not motivate people. According to his theory, people work to earn salaries, it is part of the job context and they will be extremely dissatisfied if they do not receive salaries. However, if the organisation links a monetary reward to performance, such as a merit bonus or a promotion, it provides recognition of the employee's performance and is, therefore, a motivator.

Herzberg's theory differs from Maslow's hierarchy of needs in that he assumes that most employees have already satisfied their social and economic needs (lower-order needs) to such an extent that only Maslow's higher-order needs motivate them. However, they must continue to satisfy their lower-order needs in order to maintain their present situation.

### Management applications of Herzberg's two-factor theory

The two-factor theory's contribution to our understanding of motivation in the workplace is Herzberg's focus on the importance of the work itself in the motivation of employees, which has led to an interest in job enrichment. He also explained the limited influence of more money, fringe benefits, and better working conditions (hygiene factors) on motivation, and the strong influence of factors such as achievement, recognition, responsibility, and opportunities for advancement and growth (motivators).

### Does Herzberg's motivation theory have staying power?<sup>5</sup>

There have been significant changes in organisations worldwide (see Chapter 3) since Herzberg undertook his research. Researchers examined the issue of whether Herzberg's two-factor motivation theory is still relevant decades after it he posited it. The researchers conducted a survey in the UK and received 3 200 responses. The findings demonstrated that money and recognition do not appear to be primary sources of motivation and those factors associated with intrinsic satisfaction play

a more important part. For Herzberg, recognition was an important factor. These results suggested that the importance of recognition has declined. The researchers attributed this, in part, to the fact that organisations are becoming flatter, with fewer opportunities for promotion (see Chapter 3). The most important finding of the research, however, is that, despite the criticism, Herzberg's two-factor theory still has relevance in contemporary organisations.

### Acquired needs model

People acquire needs for achievement, affiliation or power, but one need is predominant in each individual. This approach, also known as McClelland's achievement motivation theory, postulates that people acquire certain types of need during a lifetime of interaction with the environment. Although earlier research showed that people generally have a need for achievement, power, and affiliation, McClelland's research indicated that different needs predominate in different people. An individual can be a high achiever, a power-motivated person, or someone with a high need for affiliation with others. The model proposes that, when a need is strong, it will motivate the person to engage in behaviours to satisfy that need.

1. The need for achievement is the need to excel; to achieve in relation to a set of standards; to strive to succeed. Achievers prefer jobs that offer personal responsibility, feedback, and moderate risks.
2. The need for affiliation is the desire for friendly and close interpersonal relationships.

#### acquired needs model

different needs are predominant in different people

3. The need for power is the need to make others behave in a way in which they would not otherwise have behaved.

A significant aspect of McClelland's research is that people can acquire the need for achievement. Studies<sup>6</sup> of achievement motivation indicate that employees can stimulate their achievement need through training. The objective of such training would be to encourage them to think in terms of accomplishments, winning and success, and to prefer situations in which they have personal responsibility, regular feedback, and have to take moderate risks. McClelland's research shows that people are not static and can improve their own abilities. It could be possible to alleviate South Africa's shortage of effective managers by stimulating the achievement needs of employees with the potential to become managers.

### **Management applications of the acquired needs model**

Organisations use the acquired needs model to improve worker performance by placing employees in jobs according to their predominant needs:

1. Employees with a high need for achievement prefer non-routine, challenging tasks with clear, attainable goals. Feedback on their performance should be fast and frequent. Managers should continually increase their responsibility for doing new tasks. They tend to be valuable employees and are good at working in self-managed teams in large organisations. They are also successful in entrepreneurial activities such as running their own businesses. People with a high need for achievement are not necessarily good managers, because achievers are interested in how well they do personally and not in influencing others<sup>7</sup>.
2. Employees with a high need for affiliation will be motivated if they work in teams and if they receive praise and recognition from their managers. They derive satisfaction from the people they work with rather than from the task itself.
3. Employees with a high need for power prefer work where they can direct the actions of others; they prefer to be working in competitive and status-oriented situations. The best managers are high in their need for power and low in their need for affiliation. In fact, it seems that a high power need may be a requirement for managerial effectiveness<sup>8</sup>.

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### **The cross-cultural application of motivation theory<sup>9</sup>**

Cross-cultural studies indicate that cultural differences influence individual expectations and assumptions about management. Although South Africa is a complex mixture of several cultures and sub-cultures, the dominant management practices are – for historical reasons – Western. The motivation theories we discuss in this chapter

have their origins in the United States of America. Managers in South Africa work with a uniquely diversified workforce and consequently these theories may not always be applicable. South Africa is a developing country, whereas the United States of America is a developed country. Intrinsic motivation of higher-level needs tends to be more relevant to



developed countries than to developing countries where lower level needs predominate.

Even in developed countries, the level of needs focus varies. The needs for self-esteem and self-actualisation tend to motivate people in the United States of America. In Greece and Japan, security is more important, while in Sweden, Norway, and Denmark people are more concerned with social needs. Individualistic societies (the United States of America, Canada, the United Kingdom and Australia) tend to have individualistic approaches to business where self-accomplishment is valued highly. Collective societies (Japan, Mexico, Singapore, Venezuela, and Pakistan) have group approaches to business where they tend to value group accomplishment and loyalty.

In a South African cross-cultural study, the

researcher measured cultural dimensions and leader attributes and found that there are significant differences between African and white managers in seven of the eight cultural dimensions measured. The culture of white South African managers is largely congruent with Western or Eurocentric management systems, which tend to emphasise competition and a work orientation, free enterprise, individual self-sufficiency, self-fulfilment, exclusivity, planning, and methodology. The culture of black South African managers differs largely from the culture of Western or Eurocentric management and is comparable to the Afrocentric management system, which emphasises collective solidarity, inclusivity, collaboration, consensus and group significance, concern for people, and patriarchy.

### 20.3.2 Process theories of motivation

In contrast to the content theories that attempt to identify people's needs, the focus in **process theories** is on how motivation actually occurs. The emphasis is on the process of individual goal setting and the evaluation of satisfaction after the achievement of goals. The best-known process theories are the equity theory and the expectancy theory.

#### The equity theory of motivation

According to the **equity theory**, an individual must be able to perceive a relationship between the reward he or she receives and his or her performance. The individual perceives a relationship based on a comparison of the input-output ratio between himself or herself and someone else whom he or she regards as an equal.

Own Input-output : Input-output of comparable individual

Inputs refer to effort, experience, qualifications, seniority, and status. Outputs include praise, recognition, salary, promotion, and so on. The equal peer could be a co-worker in the organisation or a worker in a different organisation doing a similar job. A store manager in Woolworths may consider another store manager in the same organisation as a comparable peer, or he may identify a store manager in Pick n Pay as a comparable peer. Note that the definition stresses the word 'perceived' and not actual input or output.

A worker's comparison of his or her own situation with another comparable worker's situation leads to one of three conclusions: the worker is under-rewarded, over-rewarded, or equitably rewarded. If

#### LEARNING OBJECTIVE 5

Discuss the process theories.

##### process theories

deal with the 'how' of motivation

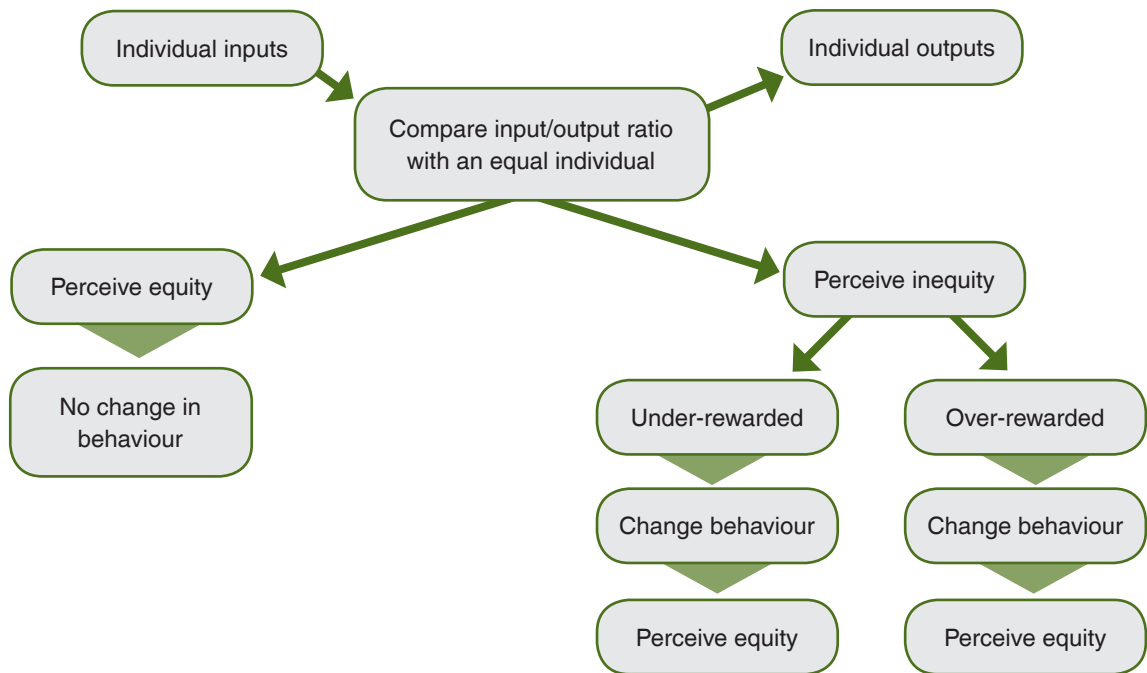
##### equity theory

individuals compare their inputs and outputs to those of someone they perceive as an equal to establish if the reward they receive is fair

individuals perceive themselves to be under-rewarded, they will try to restore the equity and will do one of the following<sup>10</sup>:

- reduce their inputs by means of lower performance
- increase their reward by asking for a raise
- distort the ratios by rationalising
- attempt to persuade the other individual to change their inputs and/or rewards
- leave the situation, by tendering a resignation
- find a new person to use in their comparison.

When individuals perceive their reward as being greater than their inputs justify, they will also take steps to restore the equity and may increase their inputs by higher performance, reduce their reward by, for example, taking a pay cut, distort the ratios by rationalising, try to reduce the other person's inputs, or try to increase that person's reward.



**Figure 20.4:** The equity theory model

Source: Smit, P.J., Cronje G.E., Brevis T. & Vrba M.J. 2011. *Management Principles: A contemporary edition for Africa*. 5<sup>th</sup> edition. Cape Town: Juta Publishers.

**Management applications of the equity theory of motivation**

The equity theory makes a substantial contribution to our understanding of motivation and work performance as it focuses on an individual's feelings about how fairly the organisation treats him or her in the workplace. According to the theory, a reward will only motivate workers if they perceive it to be fair and equitable. People base their feelings of equity and inequity on their perceptions, which to them represent

their reality. Creating equity in the workplace is rather difficult, because it is human nature to overestimate one's inputs and outputs, while underestimating those of other people. This may lead to the wrong perception of inequity and cause resentment and demotivation.

The management implication of the equity theory is that managers should manage peoples' perceptions by being open and transparent regarding the inputs and outputs required for different jobs. Furthermore, the organisation should be fair in rewarding people's contributions. Figure 20.4 on the previous page illustrates the equity model.

### The expectancy theory of motivation

Victor Vroom developed the **expectancy theory**. This theory is currently one of the most widely accepted explanations of motivation. The expectancy theory argues that people will act according to their perceptions that their work efforts will lead to certain performances and outcomes, and how much they value the outcomes.

The expectancy theory suggests that the following three elements determine an individual's work motivation<sup>11</sup>:

1. **Expectancy (effort–performance relationship)**  
Expectancy is the individual's belief that a particular level of performance will follow a particular level of effort, for example, expectancy will be high when a salesperson is sure that she will be able to sell more units (performance) if she works overtime (effort). Expectancy will be low if she is convinced that, even if she works overtime, she will not be able to sell more units. High expectations generally create higher motivation than low expectations. In the above example, the salesperson is likely to work overtime to achieve her goal of selling more units – if she expects that by working overtime, she will be able to reach her goal.
2. **Instrumentality (performance–reward relationship)**  
Instrumentality refers to the degree to which an individual believes that a certain level of performance will lead to the attainment of a desired outcome. In our example, instrumentality will be high if the salesperson believes that if she sells more units, she will receive a bonus. It will be low if she believes that she will not receive a bonus, even if she sells extra units.
3. **Valence (rewards–personal goals relationship)**  
Valence is the value or importance that an individual attaches to various work outcomes. Each outcome has an associated valence or value. For motivation to be high, employees must value the outcomes they will receive for their performance. To be motivated, the salesperson in our example must value the bonus (outcome) she will receive for working overtime to sell more units. If she places a higher value on other outcomes, such as less work stress or more time with her family, her motivation to work overtime and sell more units will be low.

### expectancy theory

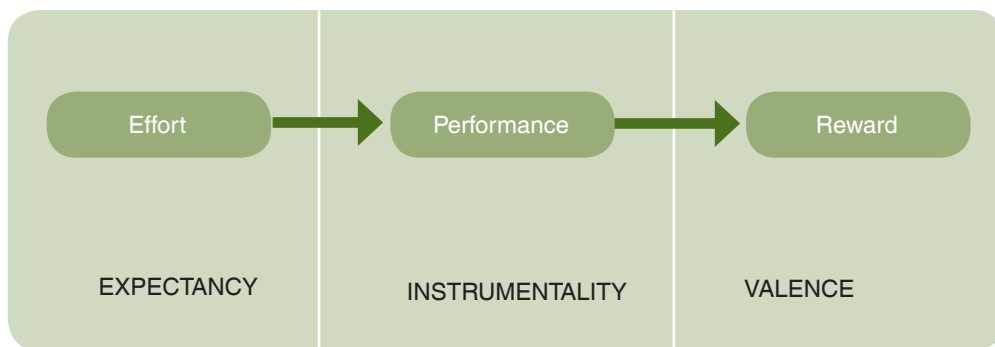
individuals need to perceive a relationship between their effort and their performance, their performance and the reward they receive and the value they place on the reward

### The management applications of the expectancy theory of motivation

Some critics of the expectancy theory say that the theory tends to be unrealistic because few individuals perceive a strong relationship between performance and rewards in their job. Organisations in general reward individuals according to measures such as seniority, effort, job difficulty, and skill level, rather than according to performance which may explain why a significant segment of the workforce exerts low levels of effort in their work<sup>12</sup>. Management applications of the expectancy theory include the following<sup>13</sup>:

- Link the performance of employees to the rewards that they receive.
- Employees are motivated to achieve outcomes that they desire and managers should determine what outcomes employees perceive as desirable and provide them. Outcomes may be intrinsic or extrinsic, depending on the needs of the employee and the employee's expectations of what is due to him or her.
- Organisations should clearly communicate desired behaviours and their outcomes to employees. Employees should know what level of effort the organisation expects of them in order to receive a desired reward.

Figure 20.5 shows the expectancy theory model.



**Figure 20.5:** The expectancy theory model

Source: Smit, P.J., Cronje G.E., Brevis T. & Vrba M.J. 2011. *Management Principles: A contemporary edition for Africa*. 5<sup>th</sup> edition. Cape Town: Juta Publishers.

#### LEARNING OBJECTIVE 6

Discuss the reinforcement theory of motivation.

#### reinforcement theory of motivation

behaviour is a function of its consequences

### Reinforcement theory of motivation

**Reinforcement theory of motivation** is a behaviourist approach with the basic premise that behaviours followed by positive consequences will occur more frequently. Behaviours followed by negative consequences will not occur as frequently. Ways to reinforce desired behaviour include the following:

- Positive reinforcement. To encourage specific behaviour, organisations can reward individuals as they move closer to the desired behaviour (positive reinforcement). They can do this

by rewarding desired behaviour with either intrinsic or extrinsic rewards.

- **Avoidance.** Organisations can reinforce desired behaviour by the avoidance of undesirable consequences. An example here is an individual who sticks to the target date for a project in order to avoid a reminder. He or she is motivated to act in the desired way (completing the project on time) in order to avoid the undesirable result (a reminder).
- **Negative reinforcement.** Reinforcement can also be negative, and here we can distinguish between two kinds of negative reinforcement, namely punishment and extinction.
  - **Punishment.** Managers use punishment or disciplinary action to discourage (weaken) undesirable behaviour. According to reinforcement theory, the unpleasant consequences (punishment) of any undesirable behaviour will discourage an individual from repeating the behaviour. This is not an effective form of reinforcement: when meted out, punishment motivates people; but once the negative reinforcement is neutralised, they fall back into their old patterns of undesirable behaviour. The possibility of negative side effects of punishment, such as anger towards the manager or the organisation, supports the view that it should not be a desirable form of behaviour reinforcement in the workplace.
  - **Extinction.** Managers can also use extinction to weaken behaviour, especially behaviour that they previously rewarded. An example is a subordinate who starts working for a new manager. His previous manager appreciated it if he told tales about his co-workers. The new manager, however, wishes to discourage such behaviour, and therefore, ignores these tales. If the manager does not react to the subordinate's tales, the subordinate's undesirable behaviour will become extinct, and it is likely that he or she will not repeat it in future.

Not only the type of reinforcement that is used is important, but also when and how frequently it takes place.

The success of reinforcing behaviour depends on when the reinforcement of desired behaviour takes place. Managers can use various strategies to schedule reinforcement:

- *Continuous reinforcement* takes place when managers reinforce all desired behaviours. An example of continuous reinforcement would be a lecturer writing individual commentary on each assignment submitted by a student.
- *The fixed interval schedule* provides reinforcement at fixed times, regardless of behaviour. A monthly salary cheque is an example of a fixed interval schedule (eg once a month). As long as an individual works (behaviour) during a specific period of time (interval), he or she will receive a salary (consequence).

- *The variable interval schedule* also uses time as the basis of reinforcement, but the intervals differ. Such scheduling is useful for inspections during which a manager praise or reward employees.
- *The fixed ratio schedule* provides reinforcement after a fixed number of performances. For example, for every ten new clients that an insurance agent in Johannesburg recruits, he or she receives a free air ticket from Johannesburg to Cape Town.
- *The variable ratio schedule* influences the maintenance of desired behaviour the most by varying the number of behaviours required for reinforcement. Each performance increases the possibility of a reward – hence employees are encouraged to increase the frequency of desirable behaviour.

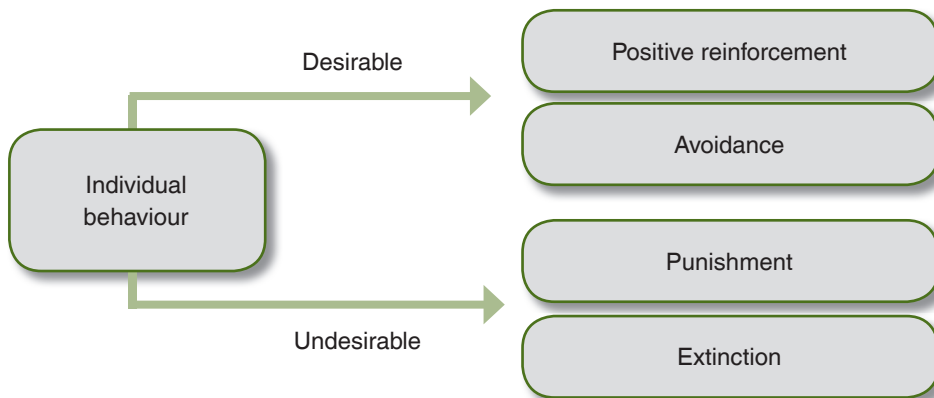
### **Management applications of the reinforcement theory**

Organisations use reinforcement theory extensively. A well-known expert on management in the USA, Professor Fred Luthans, has been studying the effects of reinforcement theory<sup>14</sup>. He has identified five steps that managers should follow to enhance motivation in the workplace by using reinforcement theory effectively:

- Identify critical, observable, performance-related behaviours that are the most important to successful job performance.
- Measure how often workers engage in these behaviours.
- Analyse the causes and consequences of these behaviours to help managers create conditions that produce the critical behaviours identified, and to determine whether the behaviours produce the desired results.
- Use positive and negative reinforcement to increase the frequency of these critical behaviours.
- Evaluate the extent to which the reinforcement has actually changed workers' behaviour by comparing behaviour before the reinforcement to behaviour after the reinforcement.

In applying reinforcement theory, it is important that employees should know exactly what management expects from them. Managers should use appropriate rewards to reinforce behaviour – they should ensure that employees value the rewards they give for desired performance. All employees have different needs. Some employees may want more money; others may place a higher value on more leisure time to spend with their families. In applying the reinforcement theory, it is important not to reward poor performance, but it is equally important to praise employees for good performance.

Figure 20.6 on the next page shows how behaviour can be rewarded using reinforcement theory.



**Figure 20.6:** The reinforcement theory model

Source: Smit, P.J., Cronje G.E., Brevis T. & Vrba M.J. 2011. *Management Principles: A contemporary edition for Africa*. 5<sup>th</sup> edition. Cape Town: Juta Publishers.

## 20.4 MONEY AS A MOTIVATOR

Management theorists often downplay the role of money as a motivator. Instead, they place more emphasis on the importance of factors such as challenging jobs, recognition for achievement and opportunities for personal growth and creativity in the workplace. Researchers of human behaviour agree that these factors do satisfy the higher-order needs of people in the workplace. However, there is also evidence that money influences people's work performance. All the theories of motivation dealt with in this chapter accept that money is a motivator under certain conditions.

- Money satisfies the lower-order needs of Maslow and Herzberg's hygiene factors according to the respective theories.
- We have explained in our discussion of Herzberg's theory that when the organisation links a monetary reward – such as a merit bonus – to the recognition of good performance, it acts as a motivator.
- Equity theory suggests that we use pay as a measurement of fair treatment by comparing it to our outputs.
- According to the expectancy theory, money is a motivator if employees perceive that good performance results in a monetary reward that they value highly.
- The reinforcement theory suggests that money is a reward to reinforce behaviour that leads to a positive job performance.

From the above, we can conclude that organisations should base a balanced reward system on the assumption that different people have different needs, which they satisfy in different ways. This is especially relevant for South African organisations where the workforce is hugely diverse. A reward system should make provision for intrinsic as well as

### LEARNING OBJECTIVE 7

Present arguments for and against the use of money as a motivator.

**LEARNING OBJECTIVE 8**

Explain how managers can use job design to motivate workers.

**job enlargement**

the addition of more diverse tasks on the same level to an existing job

**job enrichment**

the inclusion of higher-level tasks to a worker's existing job, including planning and control activities

extrinsic rewards to create an environment in which employees will be motivated to achieve organisational goals.

**20.5 DESIGNING JOBS THAT MOTIVATE**

Organisations should design work by building a greater scope for personal achievement and recognition into the job. In this section, we investigate the concepts of job enlargement, job enrichment and the job characteristics model.

**20.5.1 Job enlargement**

**Job enlargement** involves horizontal work loading – adding a greater variety of tasks to an existing job. We illustrate the concept of job enlargement as follows:

Worker A	Worker B	Worker C	Worker D
Step 1	Step 2	Step 3	Step 4

In this example, four workers perform a job comprising four steps and each of them completes one of the steps. The workers produce 60 units of a product daily, thus each worker repeats his or her step 60 times. By applying job enlargement, it is possible to redesign the task as follows:

Worker A	Worker B	Worker C	Worker D
Step 1–4	Step 1–4	Step 1–4	Step 1–4

Instead of repeating the same step 60 times, each of the four workers produces 15 complete units of the product. The work will be more meaningful to him or her because of this simple redesign. A disadvantage of job enlargement is that it increases the variety of tasks, but it does not necessarily alter the challenge that the work offers.

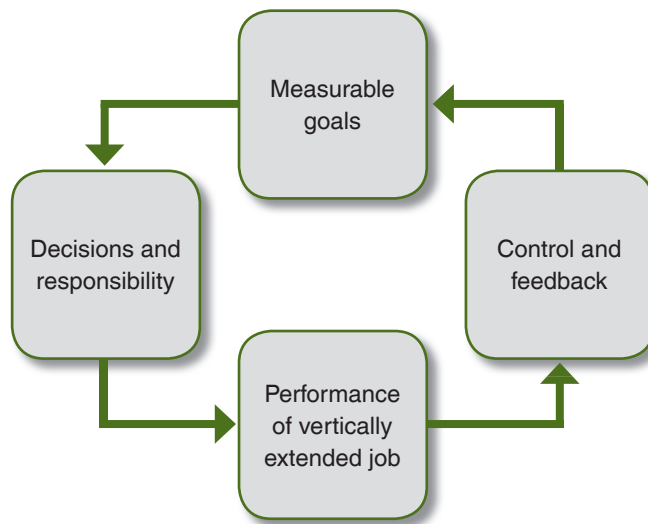
**20.5.2 Job enrichment**

Herzberg's work on the two-factor motivation theory influenced thinking on vertical work loading (**job enrichment**). Job enrichment addresses the shortcomings of job enlargement. It involves the vertical extension of jobs when the person responsible for the actual job takes on the planning and the control of the work, previously performed by his or her manager. Immediate feedback on the work performed enables the worker to set new goals aimed at improved performance.

Job enrichment is an important motivation technique because the job design entails greater scope for personal achievement and recognition, which leads to greater job satisfaction. In its simplest form job enrichment entails the addition of measurable goals, decision-making, responsibility, control and feedback on work, to the activities of the job incumbent.

The elements of job enrichment and their effect on motivation are evident from the example<sup>15</sup> shown in Figure 20.7 on the next page.





**Figure 20.7:** Job enrichment

Source: Smit, P.J., Cronje G.E., Brevis T. & Vrba M.J. 2011. *Management Principles: A contemporary edition for Africa*. 5<sup>th</sup> edition. Cape Town: Juta Publishers.

### 20.5.3 The job characteristics model

The **job characteristics model**, developed by Hackman and Oldham<sup>16</sup>, suggests that certain core job dimensions create critical psychological states, which lead to beneficial personal and work outcomes. The model recognises that these relationships are strongest among employees who have a high need for personal growth and development. Individuals who are not particularly interested in personal growth and development are unlikely to experience the psychological responses to the core job dimensions or the benefits of the predicted personal and work outcomes. Thus, the model recognises an important limitation of job enrichment: not all workers can or want to apply job enrichment to their work. Furthermore, not all kinds of work or jobs are suitable for job enrichment. The five core dimensions in the model are skill variety, task identity, task significance, autonomy and feedback.

1. *Skill variety* – the more a worker can use his or her various skills to perform a greater variety of tasks, the more challenge the job offers.
2. *Task identity* – relates to the extent to which a worker performs the job in its entirety. Tasks are frequently so over-specialised that a worker can do only part of the total job, which leads to low job satisfaction.
3. *Task significance* – this indicates the extent to which the task influences the lives or work of other people. It is important for people to know that their work is meaningful.
4. *Autonomy* – refers to the control a worker has over decision-making and the way he or she performs the task. It relates to the person's cultivated sense of responsibility. Managers can use the management-by-objectives technique to reinforce this dimension.

#### **job characteristics model**

the skill variety, task identity, task significance, autonomy and feedback dimensions of a job create critical psychological states, which may lead to positive personal and work outcomes

5. *Feedback* – denotes the extent to which the worker receives direct and clear feedback on the effectiveness of his or her performance. This dimension is important in terms of correcting deviations and identifying errors.

According to Hackman and Oldham, the core dimensions listed above create three critical psychological states:

### **Meaningfulness of the work**

The first three factors (skill variety, task identity and task significance) contribute to a task's meaningfulness. According to the model, a task is meaningful if the worker experiences it as being important, valuable, and worthwhile. Fortune magazine's prestigious '100 Best Companies to Work For' consistently rates Google as one of the best companies to work for and one of the reasons may be their belief that Google employees create meaningful products which they can believe in. Google employees believe in the ability of technology to change the world and are as passionate about their lives as they are about their work.

### **Responsibility for outcomes of the work**

Autonomous jobs make workers feel personally responsible and accountable for the work they perform. They are free to decide what to do and how to do it, and so they feel more responsible for the results, whether good or bad.

### **Knowledge of the actual results of the work activities**

Feedback gives employees knowledge of the results of their work. When a job provides people with information about the effects of their actions, they can evaluate their performance more accurately, thereby improving the effectiveness of job performance as a result.

Based on the proposed relationship between the core dimensions and the resulting psychological responses, the model postulates that job motivation would be highest when the job that a worker performs scores high on the various dimensions. The *Job Diagnostic Survey* (JDS) is a questionnaire that measures the degree to which various job characteristics are present in a particular job. Managers use the responses to the JDS to predict the degree to which a job motivates the worker who performs it. They use an index known as the Motivating Potential Score (MPS), calculated as follows:

$$\text{Motivating Potential Score} = \frac{[\text{Skill Variety} + \text{Task Identity} + \text{Task Significance}]}{3} \times [\text{Autonomy}] \times [\text{Feedback}]$$

The MPS represents an index of a job's potential to motivate workers. The higher the MPS for a job, the greater the likelihood of beneficial personal and work outcomes, such as high internal work motivation,

high-quality work performance, high satisfaction with the work, and low absenteeism and turnover of employees. By knowing a job's MPS, a manager can identify jobs that are in need of redesigning.

### **Management applications of the job characteristics model**

The job characteristics model can guide managers to enhance the motivating potential of jobs:

- Combine tasks, thereby enabling workers to perform the entire job (skill variety and task identity).
- Form natural units in order for others to identify workers with the work they do. An example here is to allocate responsibility to each claim processor at an insurance company for specific accounts instead of a random distribution of work (task identity and task significance).
- Establish client relationships by allowing the workers who provide a service to meet the recipients (clients) (skill variety, autonomy and feedback).
- Load jobs vertically, thereby providing greater responsibility and control over work (autonomy).
- Provide workers with feedback on the results of their work and keep feedback channels open.

In this chapter, we have discussed the fascinating subject of human motivation with the focus on motivation in the workplace and the role of motivation on worker performance. Throughout the discussion, we considered the management applications of the various motivation theories. It is essential for managers of contemporary organisations to know why and how their employees are motivated (or not) to achieve organisational goals.

## CHAPTER SUMMARY

### 1. Explain what motivation encompasses.

From an organisational point of view, motivation is the willingness of an employee to achieve organisational goals. The motivation process comprises an inner state of mind that channels (or moves) an employee's behaviour and energy towards the attainment of organisational goals. The motivation process consists of the following interdependent elements: need, motive, behaviour, consequence, satisfaction or dissatisfaction and feedback.

### 2. Illustrate and explain the motivation process.

See Figure 20.1. The motivation process begins when an individual has an unsatisfied need, which provides a motive for the individual's behaviour. The motive drives the individual's behaviour towards satisfying the need. The consequence of the behaviour will be either positive or negative which could lead to satisfaction or dissatisfaction. In the case where dissatisfaction is the outcome, the need remains unsatisfied, and the motivation process will start all over again. Satisfaction, on the other hand, is usually short-lived because people have many needs and as soon as one need is satisfied, another need will surface.

### 3. Differentiate between content theories, process theories, and reinforcement theories of motivation.

The content and process theories deal with the 'what' and the 'how' of motivation respectively. Reinforcement theories look at the ways in which desired behaviour can be encouraged. See Table 20.1.

### 4. Discuss the content theories.

The content theories include the theories of Maslow, Alderfer, Herzberg and McClelland.

- Maslow's hierarchy of needs differentiates between five needs, arranged in a hierarchy where, according to Maslow, lower-order needs such as physiological needs, security needs and social needs must be satisfied before people move on to satisfy the higher-order needs of esteem and self-actualisation.
- Clayton Alderfer refined Maslow's theory by dividing Maslow's five needs into three broader categories of needs, namely existence needs, relatedness needs and growth needs (ERG theory).
- Herzberg's two-factor motivation theory makes a distinction between motivators (factors in the job content) and hygiene factors (factors in the job context) and states that only motivators can motivate people whereas hygiene factors must be present (if they are not, it will cause dissatisfaction) but if present, they will not motivate.
- McClelland's achievement motivation theory postulates that people acquire certain types of needs during a lifetime of interaction with the environment. According to McClelland, different needs predominate in different people. An individual can be a high achiever, a power-motivated person or someone with a high need for affiliation with others. The model proposes that, when a need is strong, it will motivate the person to engage in behaviours to satisfy that need.

### 5. Discuss the process theories.

The process theories deal with the process of how motivation actually occurs. The emphasis is on the process of individual goal setting and the evaluation of satisfaction after the achievement of goals. The best-known process theories are the equity theory and the expectancy theory.

**6. Discuss reinforcement theory (behaviour modification) of motivation.**

Reinforcement theory is a behaviourist approach, with the basic premise that behaviour is a function of its consequences. The theory suggests that behaviours followed by positive consequences will occur more frequently. Behaviours followed by negative consequences will not occur as frequently. Ways to reinforce desired behaviour is through positive reinforcement, avoidance and negative reinforcement, including punishment and extinction.

**7. Present arguments for and against the use of money as a motivator.**

Motivation theory places more emphasis on the importance of factors such as challenging jobs, recognition for achievement, opportunities for personal growth and creativity in the workplace as motivators. These factors do satisfy the higher-order needs of people in the workplace. However, there is also evidence that money influences people's work performance. Many of the theories of motivation accept that money is a motivator under certain conditions. For example, money satisfies the lower-order needs of Maslow and Herzberg's hygiene factors according to the respective theories. Equity theory suggests that we use pay as a measurement of fair treatment by comparing it to our outputs. According to the expectancy theory, money is a motivator if employees perceive that good performance results in a monetary reward that they value highly. The reinforcement theory suggests that money is a reward to reinforce behaviour that leads to a positive job performance.

**8. Explain how managers can use job design to motivate workers.**

Managers can use horizontal job loading (job enlargement), vertical job loading (job enrichment) or use the principles of the job characteristics model, which suggests that certain core job dimensions create critical psychological states, which lead to beneficial personal and work outcomes.

**KEY TERMS**

acquired needs  
autonomy  
avoidance  
esteem needs  
equity  
expectancy  
existence needs  
extinction  
feedback  
growth needs  
hygiene factors  
hierarchy of needs  
higher-order needs  
hygiene factors  
instrumentality  
job characteristics model  
job content

job context  
job enlargement  
job enrichment  
motivators  
need for achievement  
need for affiliation  
need for power  
negative reinforcement  
physiological needs  
positive reinforcement  
relatedness needs  
self-actualisation needs  
skill variety  
social needs  
task identity  
task significance  
valence

## REVIEW QUESTIONS

1. Explain why money has a limited influence as a motivator. Use the various theories of motivation to substantiate your arguments.
2. John loves his work. He has to make important decisions and take risks, for which he accepts full responsibility. He thrives on the challenges of his job, but expects his manager to give him regular feedback on his performance. Explain why John is a valuable employee in terms of McClelland's motivation theory.
3. A young employee is very keen to win the 'Achiever of the Year' award. Her perception is that if she puts in an intense effort, her performance will be outstanding and thus enable her to win the award. Use the expectancy theory to explain why she would be motivated to work very hard to win the award.
4. A computer software company paid their programmers well, yet after attending a workshop where the programmers compared their salaries and workload to that of programmers from another company, they demanded even higher salaries. Explain, by using the appropriate motivation theory, why the programmers were demotivated after returning from the workshop.
5. A survey of nurses found that two of their most important rewards were the belief that their work was important and a feeling of accomplishment. Explain in terms of the job characteristics model why the nurses are motivated to work hard.

## END NOTES

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# **PART VI**

# Controlling

## **Chapter 21**

## **Principles of control**

Tersia Brevis



## OPENING CASE

Johnson & Johnson<sup>1</sup>**History**

Johnson & Johnson (J&J) and its family of companies are the world's sixth-largest consumer health company, celebrating 125 years in the industry. Furthermore, J&J is the world's largest and most diverse medical devices and diagnostics company, the world's fifth largest biologics company and the world's eighth largest pharmaceutical company. Currently, J&J has more than 250 operating companies in 60 countries, employing about 116 000 people.

J&J was founded in 1886 by three brothers, Robert Wood Johnson, James Wood Johnson and Edward Mead Johnson in New Brunswick, New Jersey, US. Since 1886, the company played a huge role in helping millions of people around the globe be well and stay well through more than a century of change. Some of the company's contributions towards the consumer health industry are highlighted below.

In 1888, J&J published 'Modern methods of antiseptic wound treatment' which quickly became one of the standard teaching texts for antiseptic surgery. The company spread the practice of sterile surgery in the US and around the world. In the same year, the company pioneered the first commercial first aid kits. The initial kits were designed to help railroad workers, but soon it became the standard in treating injuries. In 1920, J&J's employee Earle Dickson invented BAND-AID® Brand Adhesive Bandages, which went on the market in 1921. They were the first commercial dressings for small wounds that consumers could apply themselves. In 1954, JOHNSON'S® Baby Shampoo with NO MORE TEARS® formula entered the market as the first mild and soap-free shampoo specifically designed to be gentle enough to clean babies' hair but not irritate their eyes. In 1959, the company acquired McNeil Laboratories in the US and Cilag Chemie, AG in Europe, giving J&J a significant presence in the growing field of pharmaceutical medicines. One McNeil product, TYLENOL®

(acetaminophen) elixir for children, was the first prescription aspirin-free pain reliever. A year later, it became available without prescription and earned status as the pain reliever doctors and pediatricians recommended most. In the period 1976 to 1989, J&J entered new areas of health, such as vision care, mechanical wound closure and diabetes management. In 1987 the company introduced ACUVUE® Brand Contact Lenses, the first disposable contact lenses that could be worn for up to a week, thrown away and replaced with a new pair. In 1994, the PALMAZ-SCHATZ® stent, the first coronary stent, revolutionised cardiology. Coronary stents keep vessels open so that blood can flow to the heart. During 2002 the company entered new therapeutic areas such as HIV/Aids. In 2011, J&J celebrated 125 years of caring.

**The Tylenol crisis**

J&J's Tylenol pain reliever was certainly one of the most successful products in its 125 years. However, it also posed one of the biggest challenges to the company. In 1982, when James E. Burke was chairman and CEO of the company, seven people died in the Chicago area after taking cyanide-laced, extra-strength Tylenol capsules. The most prominent, and by now legendary, example of good decision-making in a crisis remains J&J's handling of the Tylenol disaster. Since the first death was reported on September 30, 1982, Burke portrayed the ability to take a decision and act in a crisis. Burke not only preserved the reputation of his highly respected consumer company, but he saved the Tylenol brand. At no point did he try to back off from the company's responsibility in the incident, even though it was later proven that the tampering had occurred at the retail level. 'When those people died,' says Burke, 'I realised there were some things we hadn't done right. Responsibility for that incident had to be, in part, ours. It wasn't easy to take responsibility ... but it was clear to us,