

Organisations and Behaviour



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Lesson 6



ORGANISATIONS AND BEHAVIOUR

LO 3: Understand the ways of using motivational theories in organisations

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The Basic Syllabus



- - Understand the relationship between organisational structure and culture
- - Understand different approaches to management and leadership
- Understand ways of using motivational theories in organisations
- - Understand mechanisms for developing effective teamwork in organisations

LEARNING OBJECTIVES



- At the end of the class, students should be able to:
- Discuss the impact that different leadership styles may have on motivation in organisations in periods of change

OVERVIEW



- Employee motivation and performance are key factors in moving a small business forward. Owners, managers and supervisors know positive motivation leads to better performance and higher productivity but may rely on the wrong tools. Microsoft Business states the conundrum as "using monetary and other rewards to improve motivation is a simple idea, but doing it fairly and effectively can be challenging."

REWARDS AND INCENTIVES



- A reward is something given to an individual or team in recognition of contribution and success.
- An incentive is the offer of a reward designed to motivate current and future performance.
- Financial rewards and incentive can motivate
- Job satisfaction is a key motivator and is created through:
 - (a) Variety
 - (b) Task identity/clarity
 - (c) Autonomy/ownership
 - (d) Constructive feedback
 - (e) Task significance
- Job design or redesign can increase motivation. Herzberg suggests:
 - (a) Job rotation
 - (b) Job enlargement
 - (c) Job enrichment..

REWARDS AND INCENTIVES



- Participation in decision making is usually perceived as a motivator and there are two main streams:
 - (a) Immediate participation
 - (b) Distant participation
- Participation works as a motivator if the '5 Cs' are present:
 - (a) Certainty
 - (b) Consistency
 - (c) Clarity
 - (d) Capacity
 - (e) Commitment

Monetary incentives



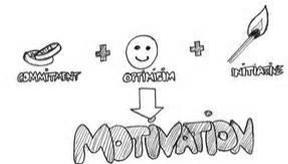
- Monetary incentives reward workers for performance and productivity through money. These incentives include employee stock options, profit sharing plans, paid time off, bonuses and cash awards. Additional monetary incentives include annual or semi-annual bonuses, such as mid-year and end-of-year rewards. These incentives encourage friendly competition between associates when linked to job performance. Monetary rewards motivate employees to produce optimally

Non-monetary incentives



- Non-monetary incentives reward employee performance through perks and opportunities. These rewards include flexible work hours, training opportunities and the ability to work independently. The rewards and incentives are valuable to an employee because they allow workers to learn new skills and pursue advancement opportunities. For example, a recent graduate may view an exemplary training program within an organization as more valuable than a higher base salary because he feels the learning opportunity will benefit his career.

MOTIVATION AND MANAGERS



- The manager plays the most important role in successful employee motivation. Learn more about the manager's role in a workplace that fosters high employee morale and positive employee motivation. Learn more about employee motivation and its relationship to management. Arguably, management's ability to create an environment in which employees choose motivation is the key management role for the success of your organization.

MOTIVATION AND MANAGERS



- Other roles, such as managing change, hiring talented employees, and setting measurable goals, are enhanced by management's ability to inspire motivation and contribution from employees. Motivation matters, to management, to employees, and to your organization

REVIEW QUESTIONS



- 1. How can organisations ensure equitable pay?
- 2. Reward systems should involve more than assuming that financial rewards are appropriate in all circumstances.
 - Required:
 - (a) Explain what is meant by 'intrinsic' reward.
 - (b) Explain what is meant by 'extrinsic' reward.
 - (c) Describe any six types of extrinsic rewards
- 3. Which of the following is not one of the 4 'Cs' that need to be present for participation to work as a motivator?
 - A Certainty
 - B Cleverness
 - C Capacity
 - D Commitment

REVIEW QUESTIONS



- 4. Content theories outline 'how can people be motivated'. True or false?
 - A True
 - B False

- 5. Which of the following is not one of Child's criteria for a reward system?
 - A Motivate
 - B Encourage innovative behaviour
 - C Fill job vacancies and retain staff
 - D Equality between grades of staff