

FACTFILE: GCE PROFESSIONAL BUSINESS SERVICES

UNIT AS 2: MOTIVATION



Learning Outcomes

Students should be able to:

- demonstrate knowledge and understanding and apply the motivation theories of:
 - Taylor;
 - Mayo;
 - Maslow; and
 - Herzberg;
- evaluate the following methods of motivating employees:
 - financial, for example performance related pay, bonus, profit sharing or share ownership;
 - non-financial, for example job rotation, job enlargement, team-working, job enrichment, empowerment and employee well-being initiatives.



MOTIVATION

There are numerous theories of motivation (Daft, 2008) which relate to employees with a business setting. Motivation theories developed by Taylor, Mayo, Maslow, and Herzberg will be explained. The relevance of the theories will also be discussed.

Frederick Winslow Taylor (1856 – 1915)
Taylor believed that management of people could be improved through the application of scientific methods. His approach is now referred to as 'Taylorism' or 'scientific management'. Taylor undertook time and motion studies of workers at Bethlehem Steel plant in 1898. He observed and recorded how the workers unloaded iron from the rail cars and reloaded steel. He estimated that specific movements, the sequencing of work movements, and the use of appropriate tools could improve the productivity of the workers and

consequently increase the steel output from the plant. He also produced an incentive system that rewarded workers for the increased level of output they produced. The outcome was that productivity increased at the Bethlehem Steel plant.

Benefits of Taylorism

1. Sets standards of performance in terms of output produced.
2. Enables projected costings to be produced:
 $\text{Wage rate (£X)} \times \text{cost of materials (£Y)} \times \text{hours (£Z)} = \text{total variable cost of production.}$

Criticisms of Taylorism

1. People are not homogeneous. People can be tall, short, very strong, not so strong, and have varying levels of stamina. It is difficult to standardize output levels in physical work

due to the varying physical characteristics of people.

2. People tend to get tired over time as they complete physical work. The output levels in the final two hours may be lower than the output levels in the opening two hours.
3. Taylor's study measured output but not the quality of output. An incentive / reward system may motivate workers to increase their output to the detriment of the quality produced.
4. The worker was not involved in the review of work activities or the reward system.
5. Their control of how they did their work was removed and replaced with specified movements.

Taylor's time and motion studies are still employed today in assessing employees' performance levels in relation to the work flow process, such as an assembly production line, that they are engaged in. After a study is completed it may result in the redesign of the assembly line. Production line employees may be retrained in order to ensure they can work in the new production system. Invariably the tools that Taylor referred to are now most likely technological 'tools'.

Elton Mayo (1880 – 1949)

Mayo is closely associated with what is known as the human relations movement. This movement's thinking was that effective control within the workplace resides within the individual worker rather than authoritarian management. Mayo was noted for his involvement in studies of employees at the Western Electric Company (Chicago), Hawthorne plant, where previous studies had looked at factors that affected employee productivity.

Mayo along with Fritz Roethlisberger conducted a study (1927 to 1933) at the Western Electric Company (Chicago) which was known as the first Relay Assembly Test Room (RATR). The study (also referred to as the Hawthorne studies) found that there is no general agreement on which factors caused an increase in output but there. However, it was generally agreed at an early stage that money was not the factor that caused an increase in output. Human relations was deemed to be the factor that best explained an increase output.

Benefits of the human relations approach

1. There are other factors (greater say over how a job is to be done or opportunity for self-development) that can motivate employees aside from money.
2. Job design is a means that can be employed to create work that is meaningful for the employee.

Criticisms of the human relations approach

1. The Hawthorne studies were regarded as inconclusive in terms of not confirming which factors motivated employees.
2. It is difficult to measure the influence that a factor may exert over an employee's level of motivation. If a manager gave an employee more variety in their work (job enlargement) how would you know if the employee's level of motivation increased by 5% or 10%? Furthermore, does an increase in motivation levels necessarily result in higher levels of output?
3. Every employee is unique. The factor that may motivate one employee may not work for another. For example, some employees may want more responsibility and control over their job whereas another employee may not.

Abraham Maslow (1908 to 1970)

Maslow was a psychologist who deemed his patients' issues originated from their not being able to satisfy their needs. Based upon his work with patients he developed a theory which is known as Maslow's Hierarchy of Needs (Maslow, 1943). This hierarchy of needs consisted of: physiological need; safety needs; love needs; esteem needs; self-actualization needs. Figure 1. illustrates the work of Maslow (1943) in relation to his hierarchy of needs theory.

Maslow explains that people seek to move up the hierarchy to achieve their needs. However, he also notes that at different times the person may move back to satisfy a new lower need. His theory is based upon his experiences with his patients and the generic examples in his work refer regularly, and mainly, to people outside of the workplace context.

1. Physiological needs. In a business setting these relate to the working environment such as temperature, noise, and reward and remuneration.
2. Safety needs. Within a work context these include a safe and secure physical environment and a supportive emotional environment
3. Love needs. Inside the business these needs relate to socialisation and the existence of positive work relationships with colleagues.
4. Esteem needs. Within a business setting these relate to factors such as being appointed to lead on a business project or recognition for completing a project within budget.
5. Self-actualization needs. The person may self-actualise by completing training or a qualification that enables them to meet the set criteria in a job promotion process.

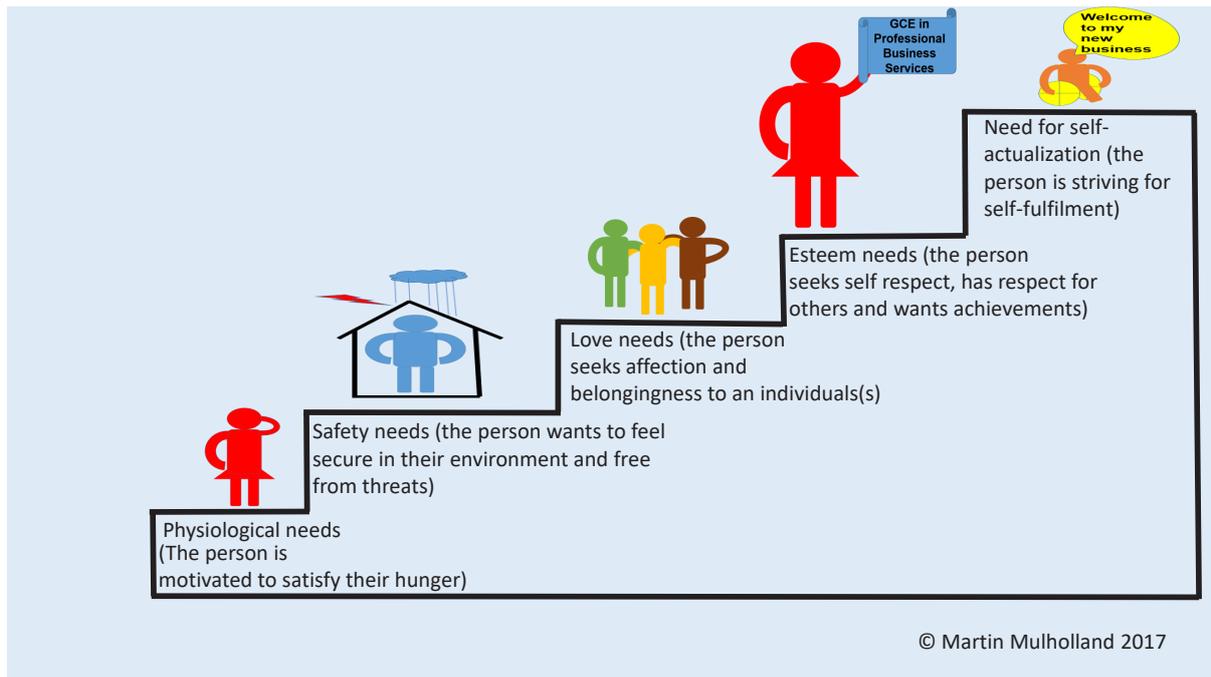


Figure 1: Maslow's Hierarchy of needs

Benefits of Maslow's Hierarchy of Needs

1. The hierarchy shows that employees' levels of motivation can be influenced by pay, relationships within the workplace, and self-development that enables them to achieve their goals.
2. Love needs highlights the importance of teams and teambuilding activities to an employee who wants to feel part of a larger group.
3. Safety needs indicate that employees want to feel secure and safe from threats. When management want to introduce change that may affect an employee, this change may be perceived as a threat by the employee. Management and the employees may be able to develop a better understanding of the dynamics between job security and change.

Criticisms of Maslow's Hierarchy of Needs

1. Maslow's hierarchy of needs was based on Maslow's work with his patients and not what happens with employees in the workplace.
2. As employees are unique, different employee may attribute different values to each or some of Maslow's needs in relation to what, and to what extent, may motivate them within the workplace.

Frederick Herzberg (1923 to 2000)

Herzberg (1969) developed what is known as the two-factor theory in relation to motivation. Hundreds of employees were interviewed regarding the occasions when they were motivated to work and the times when they were not motivated due to dissatisfaction with their work. Herzberg found that the elements linked with dissatisfaction were different from the factors relating to satisfaction. Thus, he developed the theory that two factors affect motivation in the workplace (Mullins, 2016). Herzberg deduced that employee dissatisfaction was influenced by hygiene factors and job satisfaction was influenced by motivators. Hygiene factors (working conditions, pay, company policies, and interpersonal relationships) could exert either a positive or negative influence over the level of employee dissatisfaction. He also argued that the presence of motivators (achievement, recognition, responsibility, and opportunity for growth) resulted in increased satisfaction and higher levels of motivation.

Benefits of Herzberg's two-factor theory

1. Herzberg provides management and employees in general with a list of factors that can be adjusted in the workplace to reduce employees' dissatisfaction and increase employees' motivation.

2. The two-factor theory is easy to understand.
3. The motivators are intrinsic to the employee and can be tailored to suit what is most likely to motivate them.

Criticisms of Herzberg's two-factor theory

1. Herzberg's US studies were restricted to the engineers and accountants. It has been argued that this theory is not conclusive as the interviewees may want responsibility and challenging work. However, other types of workers (possibly industrial) may be motivated by pay and other benefits. The effect of hygiene and motivational factors may be significantly different for these categories of employees.
2. Herzberg did not attribute motivational significance to pay, status or interpersonal relationships which have been regarded as needs (Maslow, 1943) that motivate people.

An evaluation of methods for motivating employees

1. Financial

Performance related pay (PRP) and bonuses are financial methods to reward employees for their performance. They are normally based on a standard salary or wage rate which is related to an expected level of performance / output. To encourage / motivate employees to go beyond the expected level of performance additional payments are offered: PRP or bonuses. The challenge for management is to be able to set PRP or the bonus at a level that is attractive and achievable for the employee and is commercially viable for the business.

The nature of the employee's job also needs to be considered as this can affect the incentive offered. For example, an assembly-line worker, a sales representative, and a business consultant do different types of work and the variance between measuring quantity and quality produced may not be straight forward to measure.

The external environment can also affect the additional payments that employees are likely to receive. For example, sales representative operating in different countries may be positively

or negatively affected by swings in exchange rates or upturns or downturns in the economy (rising inflation and increasing levels of unemployment). Aside from these factors affecting the level of bonuses, the issue of equity comes into play in that all employees should have the same opportunity to achieve a bonus.

It can also be argued from Herzberg's two-factor theory that financial incentives do not motivate employees although this can be countered by referring to Maslow's physiological needs that can be related to pay in the workplace.

Clearly PRP and bonuses have been used widely across the world by numerous organisations for over fifty years and this is testament that they have some influence in motivating employees to perform above their expected norm.

2. Non-financial

Job enrichment initiatives have been employed to raise the level of motivation of employees in the workplace. Job enrichment is where management give the employee more control over how they do their job. This approach relates to the human relations movement and links to the work of Mayo and Herzberg whose studies revealed that if employees had a greater control over how they did their work, they would be more motivated. Herzberg's identified 'responsibility' as a motivator in his theory and this is what is given to employees through job enrichment. However, managers may feel threatened by job enrichment as they are giving more control to the employee and consequently they have less control over what the employee does. Training usually needs to be provided for employees as they are expected to undertake a new role. There is also the possibility that not all employees want to undertake the responsibility associated with job enrichment. Job enrichment clearly has costs and benefits to offer in regards to managing a business.

While it is used by a number of businesses its universal adoption is limited as it is a concept that is interpreted to mean different thing to different businesses and does not necessarily fit with more authoritarian styles of management.



References

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- Daft, R. (2010) *Management*. 9th Ed., Thomson South-Western.
- Diaper, G. (1990) The Hawthorne Effect: A Fresh Examination. *Educational Studies*, 16, no. 3, pp. 261 – 268.
- Herzberg, F. (1969) One more time: how do you motivate employees?
Harvard Business Review, vol. 46 no 1, Jan/Feb 1968, pp53-62
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- Mayo, E. (1933). *The human problems of an industrial civilization*. Cambridge, MA: Harvard.
- Mullins, L.J. (2016) *Management and Organisational Behaviour*. 11TH ed., Pearson.
- Parson, H.M. (1974) What Happened at Hawthorne? *Science*, 183, pp. 922 – 932.



Sources for further study

Further reading sources and video clips of Taylor, Mayo, Maslow, and Herzberg are contained in this section.

Possible reading sources:

- Robertson-Smith, G. and Markwick, C. (2009) Employee Engagement A review of current thinking. . The Institute of Employment Studies. Available from: <http://www.employment-studies.co.uk/system/files/resources/files/469.pdf> [Accessed 02 October 2016].
- Robertson – Smith, G. and Robinson, D. (2012) Images of engaging management. The Institute of Employment Studies. Available from: <http://www.employment-studies.co.uk/system/files/resources/files/490.pdf> [Accessed 02 October 2016].
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- Tamkin, P. and Robinson, D. (2012) Teams and the engaging manager. The Institute of Employment Studies. Available from: <http://www.employment-studies.co.uk/system/files/resources/files/491.pdf> [Accessed 02 October 2016].

Rogovsky, N. and Tolentino, A. (2010) Sustainable Enterprise Promotion Through Good Workplace Practices & Human Resource Management. ILO, International Training Centre of the International Labour Organization. Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/documents/publication/wcms_143000.pdf [Accessed on 23 November 2016].



Video Clips

Taylor – Scientific Management

Motivation Theory: Taylor (Scientific Management)

<https://youtu.be/z4qdXvodZaE>

Ford and Taylor Scientific Management (Edited)

<https://youtu.be/8PdmNbqtDdI>

Time-Motion Study: “The Easier Way” 1946 General Motors Corporation, Employee Cooperation Staff

<https://youtu.be/k9vIhPszb2I>

Takt Time, Cycle Time, Lead Time

<https://youtu.be/isu6MG3v0-s>

LEAN MANUFACTURING - WASTED TIME & MOTION

https://youtu.be/27DRPtJ1_Lk

Mayo – Human Relations

Hawthorne Studies

<https://youtu.be/W7RHjwmVGhs>

Hawthorne Electric Plant Studies

<https://youtu.be/rLVp-CrBnPo>

Maslow – Hierarchy of Needs

Abraham Maslow and Self Actualization (1968)

<https://youtu.be/7DOKZzbuJQA>

Maslow’s Hierarchy of Needs in the Workplace

https://youtu.be/nASV5I_WG3k

Maslow’s Hierarchy of Needs

https://youtu.be/O-4ithG_07Q

Maslow’s Hierarchy of Needs in the Workplace

<https://youtu.be/WDN4FBpcaY>

Herzberg- Two- factor theory

Herzberg two factor theory

https://youtu.be/CihJ0Ggf8_w

Jumping for the Jelly Beans (1 of 2)

<https://youtu.be/o87s-2YtG4Y>

Jumping for the Jelly Beans (2 of 2)

<https://youtu.be/gtYi41020vU>

