

## COMM 222: ORGANIZATIONAL BEHAVIOR

### **Reading Notes**

#### PART 1: AN INTRODUCTION

#### CHAPTER 1: ORGANIZATIONAL BEHAVIOR AND MANAGEMENT

*Organizations*: social invention for achieving common goals as a group, with one single effort.

- Examples of these organizations are:
  - Calgary Flames
  - Tragically Hip
  - A Fraternity/Sorority

Organizational Behavior is about understanding people and managing them to work efficiently. OB is concerned about how organizations can survive and adapt to change.

- Motivate to join and stay within the organization
- Be reliable in terms of productivity, quality, and service
- Ready to upgrade and learn new skills
- Flexible and innovative

*Organizations Behavior*: attitudes and behaviors of individuals and groups in organizations.

Today, success is measured by how effectively organizations manage employees.

- Increases competitive advantage
- Increases organizational effectiveness

#### Goals of OB

- 1- *Predicting OB*: there is interest in predicting when employees will make ethical decisions, create innovative products or engage in social harassment.
- 2- *Explaining OB*: there is interest in why employees are more/less motivated, satisfied or prone to resign.
- 3- *Managing OB*: the art of getting things done in an organization by allocating people to specific tasks. Depending on the situation at hand, different management style may be better suited.

*Classical Viewpoint*: management that advocated high specialization of labor, intensive coordination and centralized decision-making.

*Scientific Management*: using research to determine the optimum degree of specialization and standardization of work tasks.

Bureaucracy:

- Strict chain of command where each member reports to one person
- Criteria for selection/promotion is based on impersonal skills rather than nepotism or favoritism.
- A set of detailed rules, regulations and procedures ensuring that the job is completed regardless of the one doing it.
- Strict specialization to match duties with technical competence
- Centralized power at the top of the organization

*Contingency Approach*: there is no best way to manage; the style depends on the situation

## Managerial Roles

*Interpersonal Roles*: expected behaviors that have to do with establishing and maintaining interpersonal relationships.

- *Figure head*: managers act as symbols rather than decision-makers
- *Leadership*: managers select, mentor, reward and discipline employees
- *Liaison*: managers maintain horizontal contacts inside and outside of the organization

*Informational Roles*: concerned about ways the managers receive and transmit information.

- *Monitor*: managers scan the internal/external environments of the organization to follow performance and industry trends
- *Disseminator*: managers send information pertaining about fact and preferences
- *Spokesperson*: managers are concerned about sending messages outside the organizations environment

*Decisional Roles*: deals with decision-making.

- *Entrepreneur*: managers turn problems and opportunities into plans for improved changes
- *Disturbance Handler*: managers deal with employee conflicts to resources and threats
- *Resource Allocation*: managers organize people, time, budgets and other important resources
- *Negotiator*: managers conduct major negotiations with other organizations and individuals.

## Managerial Activities

*Routine Communication*: formal sending and receiving of information and completing of paper work.

*Traditional Paperwork*: planning, decision-making and controlling.

*Networking*: interacting with people outside the organization and informal socializing with employees.

*Human Resource Management*: motivating, reinforcing, disciplining, training, staffing and developing employees.

## Managerial Agendas

*Agenda Setting*: creating an agenda for what a manager (you) want to help the organization achieve. This is usually unwritten and informal and focuses primarily on “people issues”.

*Networking*: establishing a formal or informal network of people inside and outside of the organization.

*Agenda Implementation*: managers used their networks as the main channel to help them achieve their agenda. Used direct and indirect methods to influence the network in an informal matter.

## Managerial Minds

Managers use intuition to:

- Sense that a problem exists
- Perform mental task quickly
- Synthesize isolated pieces of information/data
- Double-check formal and mechanical analyses

## The Four Concerns of Managers

Diversity- Local and Global:

- Increased diversity from abroad- more women, minorities, aboriginals, etc
- Aging workforce

- Organizations becoming more flexible- part-time, better benefits, etc.
- MNCs are coming into contact with more cultures, due to quick growth

#### Employee- Organization Relationship:

- Increase in part-time, contract work rather than permanent full-time work
- This will create a decrease in trust, loyalty, morale and commitment
- Reasons for unhappiness at work include boredom, overworked, concerned about the future and lack of superiors support
- Decreased trust in upper management

#### A Focus on Quality, Speed and Flexibility

- Increased quality in goods and services
- This is achieved by training, measurement of quality, attention to work processes and preventing service/production errors
- Increased organizations flexibility
- Requires high employee involvement and commitment as well as team work

#### Employee Recruitment and Retention

- Decreased qualified employees due to changing demographics
- Increased importance in employee retention
- Retention/recruitment initiatives include opportunities for learning, improved job satisfaction, challenging jobs, recognition/monetary support for performance, etc.

## CHAPTER 2: PERSONALITY AND LEARNING

*Personality*: the relatively stable set of psychological characteristics that influences the way an individual interacts with his or her environment and how he or she feels, thinks and behaves.

- *Dispositional Approach*: the use of personality tests to evaluate people who focus on individuals' dispositions and personality.
- *Situational Approach*: focusing on factors in the work environment that might explain or predict OB.
- *Interactionist Approach*: OB is a function of both dispositions and the situation.
- *Fit*: putting the right person in the right job, group or organization and exposing them to different management styles.

#### The Five-Factor Model of Personality

- 1- *Extraversion*: the extent at which a person is outgoing or shy. Extroverts enjoy social situations while introverts avoid them.
- 2- *Emotional Stability/Neuroticism*: the degree at which people have emotional control. People with low neuroticism have high self-confidence/self-esteem while those with high neuroticism tend to have self-doubt and be depressed.
- 3- *Agreeableness*: the extent to which someone is friendly and approachable. More agreeable people are warm and considerate while less agreeable people tend to be cold and aloof.
- 4- *Conscientiousness*: the degree to which a person is responsible and achievement oriented. More conscientious people are dependable and positively motivated while less conscientious people are unreliable.

- 5- *Openness to Experience*: the extent to which people think flexibly and are receptive to new ideas. More open people are creative and innovative while less open people favor the status quo.

*Locus of Control*: a set of beliefs about whether one's behavior is controlled mainly by internal or external forces.

- *Internals*: the control belongs to themselves, they can control their destiny by working hard and staying motivated.
- *Externals*: the control belongs to powerful people in the world who hold their fate. The world is unlucky and unfair and it is what it is.

*Self-Monitoring*: the extent to which people observe and regulate how they appear and behave in social settings and relationships.

- *High Self-Monitors*: take great care to observe and control the images they project
- *Low Self-Monitors*: not concerned about the people around them or trying to fit in

*Self-Esteem*: degree to which a person has a positive self-evaluation.

- *Behavioral Plasticity Theory*: people with low self-esteem tend to be more susceptible to external and social influences than those who have high self-esteem.

*Positive Affectivity*: experience positive emotions and moods and view the world in a positive light, including themselves and other people.

*Negative Affectivity*: experience negative emotions and moods and view the world in a negative light.

*Proactive Behavior*: taking initiative to improve one's current circumstances or creating new ones.

*Proactive Personality*: relatively unconstrained by situational forces and act to change and influence their environment.

*General Self-Efficacy*: a trait that refers to an individual's belief in his or her ability to perform successfully in a variety of challenging situations. (More motivational than affective)

*Core Self-Evaluations*: a personality concept that consists of more specific traits that reflect the evaluations people hold about themselves and their self-worth.

## **Learning**

*Learning*: when practice or experience leads to a relatively permanent change in behavioral potential.

- 1- *Practical Skills*: job specific skills, knowledge and technical competence.
- 2- *Intrapersonal Skills*: problem solving, critical thinking, learning about alternative work processes and risk taking.
- 3- *Interpersonal Skills*: communicating, teamwork and conflict resolution.
- 4- *Cultural Awareness*: learning social norms of organizations, understanding company goals, business operations and company expectations/priorities.

*Operant Learning*: the subject learns to operate on the environment to achieve certain consequences.

## **Increasing the Probability of Learning**

*Reinforcement*: the process by which the stimuli strengthen behaviors.

- *Positive Reinforcement*: increases or maintains the probability of some behavior by the application or addition of a stimulus to the situation in question. (Positive reinforcer)
  - *Ex*: an apprentice machinist learns to operate the lathe correctly as the master machinist praises his performance over time.
- *Negative Reinforcement*: increases or maintains the probability of some behavior by the removal of a stimulus from the situation in question. (Negative Reinforcer)

- *Ex*: a shipping clerk whose boss is a chronic nagger learns that she has filled out a proper order when her boss stops nagging.

*Reinforcer*: a stimulus that follows some behavior or increases or maintains the probability of that behavior.

Errors Regarding Reinforcement:

- *Confusing rewards with reinforcers*: rewards fail as reinforcers because companies do not make them contingent on specific behaviors that are of interest to the organization.
- *Neglecting diversity in preferences for reinforcers*: organizations fail to appreciate individual differences in preferences for reinforcers.
- *Neglecting important sources of information*: organizations concentrate on potential reinforcers of a formal nature while managers often neglect those that are administered by co-workers or intrinsic to the jobs being performed.
- *Performance Feedback*: providing quantitative or qualitative information on past performance for the purpose of changing or maintaining performance in specific ways.
- *Social Recognition*: informal acknowledgement, attention, praise, approval or genuine appreciation for work well done from one individual or group to another.

Reinforcement Strategies:

- Continuous reinforcement = fast acquisition effect
- Partial reinforcement = persistent effect
- Short delay of reinforcement = fast acquisition effect
- Long delay of reinforcement = persistent effect

Reducing the Probability of Behavior

- *Extinction*: the gradual dissipation of behavior following the termination of reinforcement.
  - *Ex*: a salesperson stops calling on an established customer after making ten visits without a sale.
- *Punishment*: application of an aversive stimulus following some behavior designed to decrease the probability of that behavior.
  - *Ex*: an engineer stops providing suggestions for ways to cut costs because the boss always criticizes them harshly.

Increasing the effectiveness of punishment:

- Make sure the chosen punishment is truly aversive.
- Punish immediately.
- Do not reward unwanted behaviors before or after punishment.
- Do not inadvertently punish desirable behavior.

Social Cognitive Theory

- 1- *Modeling*: process of imitating the behavior of others.
- 2- *Self-Efficacy*: beliefs people have about their ability to successfully perform a task
- 3- *Self-Regulation*: use of learning principles to regulate one's own behavior.

- *Discrepancy Reduction*: when there is a discrepancy between one's goals and performance, employees are willing to modify their performance to align themselves to achieve their goals.
- *Discrepancy Production*: when one achieves their goals, they are likely to establish more challenging goals that require higher performance.
- How to self-regulate one's actions
  - Collect self-observation data.
  - Observe models.
  - Set goals.
  - Rehearse.
  - Reinforce oneself.

### Organizational Learning Practices

*Organizational Behavior Modification*: systematic use of learning principles to influence organizational behavior.

*Employee Recognition Programs*: formal organizational programs that publicly recognize and reward employees for behaviors.

- How the person will be recognized
- The type of behavior being encouraged
- The manner of public acknowledgment
- Token or icon of the event for the recipient

*Training Programs*: planned organizational activities that are designed to facilitate knowledge and skill acquisition to change behavior and improve performance.

- Steps in the *Behavior Modeling Training*:
  - Describe to employees the behaviors to be learnt
  - Provide models for the effective use of those behaviors
  - Provide opportunities for employees to use those behaviors
  - Provide feedback and social reinforcement following practice
  - Steps to maximize transition of behaviors to their job

*Career Development*: an ongoing process in which individuals progress through a series of stages that consist of unique set of issues, themes and tasks.

## CHAPTER 3: PERCEPTION, ATTRIBUTION AND JUDGMENT OF OTHERS

*Perception*: the process of interpreting the messages of our senses to provide order and meaning to the environment.

### Components of Perception

The Perceiver:

- Perceiver's experiences, needs and emotions affect their perception of a target.
- *Perpetual Defence*: tendency for the perceptual system to defend the perceiver against unpleasant emotions.

The Target:

- Meaning to the target (ambiguous targets are especially susceptible to interpretation and addition).

The Situation:

- The situation affects the meaning and the perception

## Social Identity Theory

- People form perceptions of themselves based on characteristics and memberships in social categories.
- *Personal Identity*: based on our unique personal characteristics (i.e. interests, abilities and traits)
- *Social Identity*: based on our perception that we belong to various social groups (i.e. gender, nationality and religion)
- We form perceptions of ourselves and others based on social categories.

## Bruner's Perceptual Process Model

1. Perception is selective: perceivers do not use every cue available to them
2. Perceptual constancy: the tendency for the target to be perceived the same way over time and across situations.
3. Perceptual consistency: the tendency to select, ignore and distort cues in such a way that it creates a homogenous perception of the target.

## Biases in Perception

Primacy and Recency Effects:

- *Primacy Effect*: the tendency for the perceiver to rely on early cues or first impressions.
- *Recency Effect*: the tendency for the perceiver to rely on recent cues and last impressions.

Reliance on Central Traits:

- *Central Traits*: personal characteristics of a target that are of particular interest to a perceiver.

Implicit Personality Theories:

- Personal theories that people have about which personality characteristics go together.

Projection:

- The tendency for perceivers to attribute their own thoughts and feelings to others.

Stereotyping:

- The tendency to generalize about people in a certain social category and ignore variations among them.
  1. We distinguish some category of people
  2. We assume that certain people in this category have certain traits
  3. We perceive that everyone in this category possesses these traits

## Attribution

*Attribution*: the process by which causes or motives are assigned to explain people's behavior.

*Dispositional Attribution*: explanations for behavior based on an actor's personality or intellect.

*Situational Attribution*: explanations for behavior based on an actor's external or environmental factors.

*Consistency Cues*: reflect how consistently a person engages in some behavior over time.

*Consensus Cues*: reflect how a person's behavior compares with that of others.

*Distinctiveness Cues*: reflect the extent to which a person engages in some behavior across a variety of situations.

Biases in Attribution:

- *Fundamental Attribution Bias*: the tendency to overemphasize dispositional explanations for behavior at the expense of situational explanations.

- *Actor-Observer Effect*: the propensity for actors and observers to view the causes of the actors behavior differently.
- *Self-Serving Bias*: the tendency to take credit for successful outcomes and to deny responsibility for failures.

### Person Perception and Workforce Diversity

*Workforce Diversity*: the differences among employees or potential recruits in characteristics such as gender, race, age, religion, cultural background, physical ability and sexual orientation.

- Diversity is increasing in the workforce due to globalization, mergers and strategic alliances.
- In many organizations, diversity is seen as a competitive advantage.

### Stereotypes and Workplace Diversity

1. Racial and ethnic stereotypes:

- Most stereotypes are contradictory

2. Gender Stereotypes

3. Age Stereotypes

Managing Diversity:

How to achieve and manage diversity:

- Select enough minority members to get them beyond token status.
- Encourage teamwork that brings minority and majority members together
- Ensure that those making decisions about minority employees have accurate, trustworthy information.
- Train people to be aware of stereotypes.

Actions that create successful diversity programs:

- Build senior management commitment and accountability.
- Conduct a thorough needs assessment.
- Develop a well-defined strategy tied to business results.
- Emphasize team building and group process training.
- Establish metrics and evaluate the effectiveness of diversity initiatives.

### Perceptions of Trust

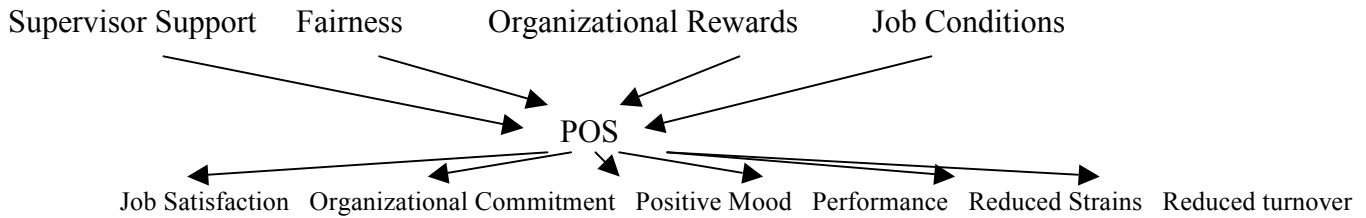
*Trust*: a psychological state in which one has a willingness to be vulnerable and to take risks with respects to actions from another party.

- *Ability*: an employee's perceptions regarding management's competence and skills.
- *Benevolence*: the extent to which employees perceive management as caring and concerned for their interests and willing to do good for them.
- *Integrity*: employee perceptions that management adheres to and behaves according to a set of values and principles that the employee finds acceptable.

### Perceived Organizational Support

*Perceived Organizational Support*: employees' general belief that their organization values their contribution and cares about their well-being.

*Organizational Support Theory*: employees who have strong perceptions of organizational support feel an obligation to care about the organizations well-being and help the organization achieve its goals.



### Person Perception in HR

Perceptions in the employment interview:

- *Contrast Effects*: previously interviewed job applicants affect an interviewer's perception of a current applicant, leading to an exaggeration of the differences between applicants.

Interview structure:

1. *Evaluation Standardization*: the extent to which the interviewer uses standardized and numeric scoring procedures.
2. *Question Sophistication*: the extent to which the interviewer uses job-related behavioral questions and situational questions.
3. *Question Consistency*: the extent to which the interviewer asks the same questions in the same order to every candidate.
4. *Rapport Building*: the extent to which the interviewer does not ask personal questions that are not related to the job description.

Perceptions of recruitment and selection:

- *Signaling Theory*: job applicants interpret their recruitment experiences as cues or signals about what it is like to work in an organization.

Perceptions and the Performance Appraisal:

- Objective and subjective measures
- Rater errors:
  - *Leniency*: the tendency to perceive the job performance of ratees as good.
  - *Harshness*: the tendency to perceive the job performance of ratees as bad.
  - *Central Tendency*: the tendency to assign most ratees to middle-range job categories.
  - *Halo Effect*: the rating of an individual on one trait or characteristic tends to color ratings on other traits or characteristics.
  - *Similar-to-Me Effect*: a rater gives more favorable evaluations to people who are similar to the rater in terms of background or attitudes.

## CHAPTER 4: VALUES, ATTITUDES AND WORK BEHAVIOR

### **What Are Values?**

*Values*: a broad tendency to prefer certain states of affairs over others.

- The classification of values:
  - Intellectual
  - Economic
  - Aesthetic
  - Social
  - Political
  - Religious

- Members of different occupational groups relate to different values. This may create problems within an organization between departments that do not share similar values.

### Values Across Cultures

- *Work Centrality*: work is valued differently across cultures.
  - *Power Distance*: the extent to which society members accept an unequal distribution of power.
  - *Uncertainty Avoidance*: the extent to which people are uncomfortable with uncertain and ambiguous situations.
  - *Masculinity/Femininity*: masculine cultures clearly differentiate gender roles, support male dominance and stress economic performance. Female cultures accept fluid gender roles, stress sexual equality and stress quality of life.
  - *Individualism/Collectivism*: individualistic societies tend to stress independence, individual initiative and privacy. Collective cultures favor interdependence and loyalty to one's family or clan.
  - *Long-term/Short-term*: long-term oriented cultures tend to be persistent, perseverant, thrift and notice status difference. Short-term oriented cultures tend to stress personal steadiness/stability, face-saving and social niceties.

### Implications of Cultural Variation:

- Exporting OB theories: you must be wary of cultural values when exporting your business elsewhere.
- Importing OB theories: theories that work elsewhere (i.e. Japan) may not fit with the culture here (i.e. US/Canada)
- Appreciating global customers: one must understand what global customers want to truly give them something they want.
- Developing global employees: companies must train and develop their employees' knowledge about different cultures so they may be understanding.

### What Are Attitudes?

*Attitude*: a fairly stable evaluative tendency to respond consistently to some specific object, situation, person or category of people.

Attitudes **influence our behavior** toward some object, situation, person or group.

i.e.) Like Boss → Praise Boss

Attitudes are a **function** of our related **beliefs and values**.

i.e.) If your boss is creative, (belief)  
and creativity is good, (value)  
than the boss is good. (attitude)

BELIEF + VALUE = ATTITUDE → BEHAVIOR

### What is Job Satisfaction?

1- *Discrepancy*: beliefs and values cause differences in job satisfaction even when jobs are identical. Perceptions towards a job may vary.

- *Discrepancy Theory*: a job satisfaction asserts that satisfaction is a function of the discrepancy between the job outcomes people want and the outcomes that they perceive they obtain.

2- *Fairness*: affects both what people want from their jobs and how they react to the inevitable discrepancies of organizational life.

- *Distributive Fairness*: occurs when people receive what they think they deserve from their jobs.

3- *Equity Theory*: inputs people perceive themselves as investing in a job and the outcome the job provides are compared against the inputs and outcomes of some other relevant person or group.

$$\frac{\text{My outcomes}}{\text{My inputs}} = \frac{\text{Other's outcomes}}{\text{Other's inputs}}$$

*Inputs*: anything that individuals consider to their exchange with the organization, anything that they give up, offer or trade to their organization. (i.e. education, training)

*Outcomes*: factors that the organization distributes to employees in return for their inputs. (i.e. pay, career opportunities)

*Procedural Fairness*: occurs when individuals see the process used to determine outcomes as reasonable.

*Interactional Fairness*: occurs when people feel they have received respectful and informative communication about some outcome.

Disposition:

The employees' personalities have an effect on their jobs. Some people are generally more or less happy, depending on their personalities, about their job.

Mood and Emotion:

Affect is a broad label for feelings that affect employees' job satisfaction.

- *Emotions*: intense, short-lived feelings caused by a particular event. (i.e. fear, joy)
- *Moods*: less intense, longer-lived and more diffuse feelings.
- *Emotional Contagion*: tendency for moods and emotions to spread between people or throughout a group.
- *Emotional Regulation*: requirement for people to conform to certain "display rules" in their job behavior despite their true mood or emotions.

Key Contributions to Job Satisfaction:

- Mentally challenging work: work that tests employees' skills and abilities and allows them to set their own working pace.
- Adequate compensation: salary and job satisfaction are positively correlated.
- Career Opportunities: opportunity for a job promotion is an important contributor to job satisfaction because promotions contain a number of valued signals about a person's self-worth.
- People: friendly, considerate, good-natured superiors and co-workers contribute to job satisfaction, via positive moods and emotions. People that help us attain job outcomes that employees' values increases job satisfaction.

### Consequences of Job Satisfaction

Absence from work: happy and enthusiastic people tend to miss work less unless there is an unavoidable problem (i.e. weather, daycare). If companies do not set standards for absenteeism, employees may look to their peers to develop an acceptable norm.

Turnover: although a small percentage of top-performers do leave companies, less-satisfied employees are more likely to quit. Shocks (divorce, better job offer), employee dissatisfaction with current job may contribute to turnover while an employee embedded to the community or a weak job market may result in unhappy employees staying in their current position.

Performance: job satisfaction is associated with job performance. The connection of job satisfaction and job performance is stronger in complex, high-tech jobs (engineering) and weaker in more routine, labor jobs (factory worker). Which is the cause and which is the effect. Job performance can cause increased job satisfaction but job satisfaction can cause increased job performance.

Organizational citizenship behavior: voluntary informal behavior that contributes to organizational effectiveness. Job satisfaction contributes greatly to OCB. The forms OCB may take are helping behavior, conscientiousness, being a good sport and courtesy/cooperation. OCB is also influenced by employee's mood at work.

Customer satisfaction and profit: employee/job satisfaction does translate into happier customer/client satisfaction and increases profitability. Good mood among employee often translates into a good mood for customers.

### What is Organizational Commitment?

*Organizational Commitment*: an attitude that reflects the strength of the linkage between an employee and an organization.

- *Affective Commitment*: commitment based on a person's identification and involvement with an organization. (people with high affective commitment stay with an organization because they want to)
- *Continuous Commitment*: commitment based on costs that would be incurred in leaving an organization. (people with high continuous commitment stay with an organization because they have to)
- *Normative Commitment*: commitment based on ideology or a feeling of obligation to an organization. (people with high normative commitment stay with an organization because they think they should)
- All these commitments may also pertain to teams, unions or professions.

Key contributors to organizational commitment:

- Giving an employee an unchallenging job may contribute negatively to affective commitment while having role clarity and met expectations will contribute positively to affective commitment.
- Continuance commitment occurs when employees feel that leaving an organization will result in personal sacrifice or that the job market is lacking better jobs.
- Normative commitment results in benefits such as tuition reimbursements or special training that cannot be found anywhere else.

Consequences of organization commitment:

- Affective commitment is positively related to performance.
- Continuous commitment is negatively related to performance
- The downside to organizational commitment are:
  - Conflicts between work life and family life
  - May results in unethical or illegal activities to support the company
  - Commitment to a form or style may halt innovation and hinder culture change

Changes in the workplace and employee commitment:

The 3 main areas that affect employee commitment to changes in the workplace:

- Changes in the nature of employees' commitment to the organization.
- Changes in the focus of employee commitment.
- The multiplicity of employer-employee relationships within organizations.

## CHAPTER 5: THEORIES OF WORK MOTIVATION

### What is Motivation?

Basic characteristics of motivation:

*Motivation*: the extent to which persistent effort is directed toward a goal.

- Effort: the amount of effort a person exhibits on the job. (quantity)
- Persistence: the persistence an employee exhibits at their job. (quantity)
- Direction: the direction of the employee's work related behavior.
- Goals: the goal trying to be achieved through the employee's motivated behavior.

Extrinsic and Intrinsic Motivation:

- *Intrinsic Motivation*: stems from the direct relationship between the worker and the task (usually self-applied).
- *Extrinsic Motivation*: stems from the work environment external to the task (usually applied by others).
- When extrinsic rewards depend on performance, intrinsic rewards decreases.

Motivation and Performance:

- *Performance*: the extent to which an organizational member contributes to achieving the objectives of the organization.
- *General Cognitive Ability*: a person's basic information processing capacities and cognitive resources.
- *Emotional Intelligence*: a person's ability to understand and manage their own and other's feelings and emotions.
  - The perception of emotions: the ability to perceive emotions and to accurately identify one's own emotions and the emotions of others.
  - The integration and assimilation of emotions: the ability to use and assimilate emotions and emotional experiences to guide and facilitate one's thinking and reasoning.
  - Knowledge and understanding of emotions: being able to understand emotional information, the determinants and consequences of emotions and how emotions evolve and change over time.
  - Management of emotions: the ability to manage one's and other's emotions and feelings as well as emotional relationships.

### What is Employee Engagement?

- *Engagement*: the extent to which an individual immerses his or her true self into his or her work roles. (Involved employees express themselves physically, cognitively and emotionally)
- When an employee is disengaged, they defend themselves physically, cognitively and emotionally)
  - Psychological Meaningfulness: employees to engage, feel worthwhile, useful, valuable and not taken for granted when there are incentives to do so.
  - Psychological Safety: when employees can employ themselves without the fear of negative consequences to their self-image, status or career.
  - Psychological Availability: when employees feel they have the physical, emotional and cognitive resources required to engage themselves in a situation.

### Need Theories of Work Motivation

- *Need Theories*; motivation theories that specify the kinds of needs people have and the conditions under which they will be motivated to satisfy these needs in a way that contributes to performance.

NEEDS → BEHAVIOR → INCENTIVES AND GOALS

#### Maslow's Hierarchy of Needs:

1. Physiological Needs: needs that must be satisfied for one to survive (food, water, shelter)
2. Safety Needs: needs that pertain to security, stability, freedom from anxiety and ordered environment.
3. Belongingness Needs: needs for social interaction, affection, love, companionship and friendship.
4. Esteem Needs: needs for feeling adequate, competent, independent, strong and confident.
5. Self-Actualization: desire to achieve one's true potential as an individual to the fullest extent and to express one's skills, talents and emotions in a manner that is personally fulfilling.

*Maslow's Hierarchy of Needs*: a five-level hierarchical need theory of motivation that specifies that the lowest level unsatisfied need has the greatest motivation potential.

#### Alderfer's ERG Theory:

*ERG Theory*: a three level hierarchical need theory of motivation that allows for movement up and down the hierarchy.

1. Existence Needs: needs satisfied by some material substance or condition. (food, shelter, pay, safety)
2. Relatedness Needs: needs satisfied by open communication and the exchange of thoughts and feelings with other organizational members. (open, accurate and honest interaction between two or more individuals)
3. Growth Needs: needs satisfied by strong personal involvement in the work setting. (full utilization of one's skills and the creative development of new ones)

Differences between Alderfer and Maslow:

1. The lower levels of needs satisfaction do not need to be fulfilled before the higher level needs.
2. If higher levels of gratification are not fulfilled, individuals will increase their desire of gratification of lower level needs.

McClelland's Theory of Needs:

*McClelland's Theory of Needs*: a nonhierarchical need theory of motivation that outlines the conditions under which certain needs result in particular patterns of motivation.

1. Need for Achievement: a strong desire to perform challenging tasks. (growth or self-actualization need)
  - a. A preference for situations in which personal responsibility can be taken for outcomes.
  - b. A tendency to set moderately hard goals that provide for calculate risks.
  - c. A desire for performance feedback.
2. Need for Affiliation: a strong desire to establish and maintain friendly, compatible interpersonal relationships. (belongingness or relatedness need)
3. Need for Power: a strong desire to influence others, making a significant impact or impression. (self-esteem needs)

Managerial implications of need theories:

- Appreciate diversity: managers should understand the needs of individual employees rather than considering them as universal or uniform.
- Appreciate intrinsic motivation: often organizations tend to motivate employees with lower-need gratification (pay, benefits) rather than providing them with higher-level growth needs. (more challenging projects, more responsibility, group work)

### Process Theories of Work Motivation

*Process Theories*: motivation theories that specify the details of how motivation occurs.

Expectancy Theory:

- *Expectancy Theory*: a process theory that states that motivation is determined by the outcomes that people expect to occur as a result of their actions on the job.
- *Outcomes*: consequences that follow work behavior.
  - First level outcomes are ones that benefit the organization (hard work versus average work, minimal absenteeism versus frequent absenteeism)
  - Second level outcomes are ones that are primarily related to the employee (amount of pay, acceptance by peers and fatigue)
- *Instrumentality*: the probability that the first level outcome will be followed by a particular second level outcome. (increase productivity results in pay increase)
- *Valence*: the expected value of work outcomes. (the extent to which they are attractive or unattractive)

$$\text{VALENCE OF A PARTICULAR FIRST-LEVEL OUTCOME} = \sum \text{INSTRUMENTALITIES} \times \text{SECOND LEVEL VALENCES}$$

- *Expectancy*: the probability that a first level outcome can be achieved.
  - A machinist is certain (1.0) that she can produce 15 units a day
- *Force*: the effort directed toward a first level outcome.

$$\text{FORCE} = \text{FIRST LEVEL VALENCE} \times \text{EXPECTANCY}$$

The 2 fundamentals of Expectancy Theory:

1. People will be motivated to perform in those work activities that they find attractive and they feel they can accomplish.
2. The attractiveness of certain work activities depends on the extent to which they lead to favorable personal consequences.

Managerial Implications of Expectancy Theory:

- Boost expectancy: managers must be able to ensure that employees can expect to achieve first level outcomes that are of interest to the organization.
  - Employees might feel that poor equipment, lazy coworkers and poor tools impede their work progress.
- Clarify reward contingencies: managers should attempt to clarify the path needed between first and second level outcomes.
- Appreciate diverse needs: individual preferences to second level outcomes vary greatly between employee and should be taken into consideration by managers.

Equity Theory:

*Equity Theory*: a process theory that states that motivation stems from a comparison of the inputs one invests in a job and the outcomes one receives in comparison with the inputs and outcomes of another person or group.

- Employees are motivated to maintain an equitable exchange relationship.
- Efforts used to maintain equity:
  - Perceptually distort one's inputs or outcomes.
  - Perceptually distort the inputs or outcomes of the comparison person or group.
  - Choose another comparison person or group.
  - Alter one's inputs or one's outcome.
  - Leave the exchange relationship.
- Gender and equity:
  - Men tend to compare themselves with other men while women tend to compare themselves with other women.
- Managerial implications of equity theory: the main implication is that employees who feel inequity through underpayment will suffer severe negative motivation consequences. (low productivity, low quality, turnover) Equity stems from perceptual social comparison.

Goal Setting Theory:

*Goal Setting*: a motivational technique that uses specific, challenging and acceptable goals and provides feedback to enhance performance.

What Kind of Goals are Motivational?:

- Goal Specificity: goals that specify an exact level of achievement for people to accomplish in a particular time frame. (I will get an A on my OB exam)

- Goal Challenge: assigning the proper level of difficulty tasks according to the competence of a given employee (if tasks are perceived as impossible it results in demotivation conversely if tasks are perceived to be too easy)
- Goal Commitment: individuals must be committed to specific, challenging goals if the goals are to have effective motivational properties.
- Goal Feedback: specific and challenging goals have the most beneficial effect when they are accompanied by ongoing feedback that enables the person to compare current performance with the goal.

#### Enhancing Goal Commitment:

- Participation: organizational members should be more committed to goals that are set with their participation rather than handed down by their superior.
- Rewards: goal setting has led to performance increases without the introduction of monetary incentives.
- Supportiveness: supervisors must show that they want to help employees in goal accomplishment and react accordingly if the goals are not achieved.

#### Goal Orientation:

- *Learning Goals*: process-oriented goals that focus on learning. They enhance the understanding of a task and the use of task strategies.
  - Most concerned about learning something new, developing competence, knowledge and skills.
- *Performance Goals*: outcome-oriented goals that focus the attention on achievement of specific performance outcomes.
  - Most concerned about performing tasks by seeking favorable judgments and avoiding negative ones. They focus on the outcome.
- Managerial Implications: set specific and challenging goals for your employees while offering regular feedback on their performance with the goal.

#### Do Motivation Theories Translate Across Cultures?

The majority of cultures are motivating with the same techniques used for North American cultures. However, Individualistic cultures (USA, Canada, Great Britain) tend to value individual initiative, privacy and taking care of one's self while collective cultures tend to value taking care of each other to better the entire group, clan or organization.

The Equity Theory Model only applies to individualistic cultures while collective cultures tend to reward based on equality rather than equity.

Expectancy Theory Model is well-applied cross-culturally.

Goal Setting Theory Model can be applied as a motivational tool cross-culturally but must vary in a few ways. Individual goals will not likely be accepted in collective cultures compared to group goals. In Far East countries (China, Japan) challenging goals may not be appropriate if failure is a possibility because of their strong value of saving face. In cultures that are power distant, having goals set by superiors is respected.

## CHAPTER 6: MOTIVATION IN PRACTICE

### Money as a Motivator

Linking Pay to Performance on Production Jobs:

- *Piece-rate*: a pay system in which individual workers are paid a certain sum of money for each unit of production completed.
- *Wage Incentive Plans*: various systems that link pay to performance on production jobs.

#### Potential Problems with Wage Incentives:

- Lowered quality: employees work faster which may result less focus on quality.
- Differential Opportunity: if the supply of raw materials or the quality of the machinery differ, it can have a toll on the productivity of employees and ultimately the incentive received.
- Reduced Cooperation: employees refuse to do tasks that won't yield a bonus such as cleaning or maintenance.
- Incompatible job design: difficult to implement individual wage incentives and have to be given out to the entire team. The larger the team, the less you feel praised with the incentive.
- *Restriction of Productivity*: the artificial limitation of work output that can occur under wage incentive plans.

#### Linking Pay to Performance on White-Collar Jobs:

- *Merit Pay Plans*: systems that attempt to link pay to performance on white-collar jobs.

#### Potential Problems with Merit Pay Plans:

- Low discrimination: managers may be unable or unwilling to discriminate between good and bad performers. The equalization strategy over-rewards underperformers and under-rewards overperformers.
- Small increases: when merit increases are too small too small to be effective motivates. Merit plans are often abandoned when inflation is high or there are economic difficulties.
  - *Lump Sum Bonus*: merit pay that is awarded in a single payment and is not built into base pay.
- Pay secrecy: the extreme secrecy that surrounds pay in organizations.

#### Using Pay to Motivate Teamwork:

- *Profit Sharing*: the return of some company profit to employees in the form of a cash bonus or a retirement supplement. This type of program works best in smaller firms that are profitable.
  - The biggest problem is some factors out of the control of employees may hurt profits (i.e. bad economy).
  - It is also difficult in a large company to see one's impact on the company's progress.
- *Employee Stock Ownership Plans*: incentive plans that allow employees to own a set amount of a company's shares and provide employees with a stake in the company's future earnings and success.
  - Works best in small organizations that are profitable.
  - The major problem is in large corporations it is difficult to see the employee's contributions to the company when so many other factors affect the stock price.
  - ESOPs lose their motivation during economic downturn.
- *Gainsharing*: a group pay incentive plan based on productivity or performance improvements over which the workforce has some control. Such plans often include reduced cost in labor, material and supplies.
- *Skill-Based Pay*: a system in which people are paid according to the number of job skills they have acquired.

- Training cost will be high
- Sometimes managers want to keep employees on the tasks they are best at.

### Job Design as a Motivator

What characteristics make some tasks more motivating than others?

Traditional Views of Job Design:

- Specialization consisted of uneducated employees learning everything about one process in the assembly line steps.
- The assembly line, under Taylor, was broken down into many different steps that put people in the right job.
- Motivational strategies during this time consisted of close supervision and piece-rate pay.

Job Scope and Motivation:

- Job scope can be broken down into two components: breadth and depth jobs.
  - Breadth refers to the number of different activities performed on the job.
  - Depth refers to the degree of discretion or control the worker has over how these tasks are performed.
- Broad jobs require workers to do a number of different tasks.
- Deep jobs give workers the freedom to plan how to do their work.
  - Maslow's need hierarchy and ERG theory suggests that people can fulfill higher order needs by the opportunity to perform high-scope jobs.
  - Expectancy theory suggests that high scope jobs can provide intrinsic motivation if the outcomes derived from the jobs are attractive.
- *Stretch Assignments*: offers employees challenging opportunities to broaden their skills by working on a variety of tasks with new responsibilities.

The Job Characteristics Model:

- Core job characteristics:
  1. *Skill Variety*: the opportunity to do a variety of job activities using various skills and talents. (similar to job breadth)
  2. *Autonomy*: the freedom to schedule one's own work activities and decide work procedures. (similar to job depth)
  3. *Task Significance*: the impact that a job has on other people.
  4. *Task Identity*: the extent to which a job involves doing a complete piece of work, from beginning to end.
  5. *Feedback*: information about the effectiveness of one's work performance.
- Managerial jobs have higher levels of core job characteristics compared with key-punching jobs.

Motivational

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

- Critical Psychological States:

- Work will be intrinsically motivating when it is perceived as meaningful, when the workers feel responsible for the outcomes and when the worker has knowledge about their work progress.
- Outcomes:
  - When the worker is truly in control of a challenging job that provides good feedback about performance, the key prerequisites for intrinsic motivation are present. When a relationship is formed between work and the worker, the worker will draw motivation from the job itself.
- Moderators:
  - Jobs that are high in motivational potential do not always lead to favorable outcomes.
  - People with weak knowledge and skills will respond negatively to high motivational potential jobs because they are too demanding.
  - *Growth Need Strength*: the extent to which people desire to achieve higher-order need satisfaction by performing their jobs.
  - People with high growth needs will respond well to challenging work.
  - People content with context factors (pay, supervision, etc) will be more responsive to challenging work than people dissatisfied with context factors.

#### Job Enrichment:

*Job Enrichment*: the design of jobs to enhance intrinsic motivation, quality of working life and job involvement.

*Job Involvement*: a cognitive state of psychological identification with one's job and the importance of work to one's total self-image.

- Combining tasks: assigning tasks that might be accomplished by several workers to one individual.
- Establishing external client relationships: putting employees in touch with people outside the organization who depend on their products or services.
- Establishing internal client relationships: putting employees in touch with people inside the organization who depend on their products or services.
- Reducing supervision or reliance on others: the goal is to increase autonomy and control over one's own work.
- Forming work teams: instead of breaking a large product into small segments for individual workers, form a team to work on the large project together.
- Making feedback more direct: use with other job design aspects that permit workers to be identified with their own product or service.

#### Potential Problems with Job Enrichment:

- Poor diagnosis: this occurs when the needs of the organization and particular jobs are not properly diagnosed.
  - *Job Enlargement*: increasing job breadth by giving employees more tasks at the same level to perform but leaving other core characteristics unchanged. This can lead to job overload and work stress.
- Lack of desire or skill: some workers do not desire enriched jobs because it places greater demands on workers.

- Demand for rewards: workers who experience job enrichment ask that they receive greater extrinsic rewards (pay) for their increased responsibility.
- Union resistance: unions are not traditionally enthusiastic about job enrichment.
- Supervisory resistance: by giving subordinates job enrichment, it might demotivate their boss because the gap between them and their subordinates is smaller.

### Management by Objectives

*Management by Objectives*: an elaborate, systematic, ongoing management program designed to facilitate goal establishment, goal accomplishment and employee development.

1. The manager meets with individuals workers to develop and agree on employee objectives for the coming months.
2. There are periodic meetings to monitor employee progress in achieving objectives.
3. An appraisal meeting is held to evaluate the extent to which the agreed upon objectives have been achieved.
4. Repeat.

### Alternative Working Schedules as Motivators for a Diverse Workforce

*Flex-Time*:

*Flex-Time*: an alternative work schedule in which arrival and departure times are flexible.

- Employees can be present in the office at anytime they like so long as they are present during the firm's core hours. This puts a lot of trust, on the company's part, in their employees.
- The flex-time strategy does not work in assembly lines or hospitals and mostly occurs in offices.
- Flex-time schedules have a positive effect on productivity, job satisfaction and lower absenteeism.

*Compressed Workweek*:

*Compressed Workweek*: an alternative work schedule in which employees work fewer than the normal five days a week but still put in a normal number of hours per week.

- The compressed workweek allows workers to pursue personal activities on their day-off, reduce travel and commuting costs by 20% and increase family time.
- The negative aspects of the compressed workweek are increased fatigue and reduced customer service.
- There is no effect on productivity and absenteeism.

*Job Sharing*:

*Job Sharing*: an alternative work schedule in which two part-time employees divide the work of a full-time job.

- Is attractive to people who have sick children or elderly parents who need to be taken care of. Firms can attract employees that do not want to work full-time. It is also an effective way to avoid layoffs.

*Telecommuting*:

*Telecommuting*: a system by which employees are able to work at home but stay in touch with their offices through technological devices. (email, PDA, voice mail)

- Was introduced to satisfy employees demands for a more flexible workweek.

- Distant Staffing: someone who works for a company but never sets foot in the offices.
- It costs the company less in equipment and office space, increases productivity and job satisfaction.
- Some of the negative aspects of telecommuting is feeling of isolation, decrease in informal conversations, overwork, decrease awareness of promotion opportunities, etc.