

## CHAPTER 1

### What are organizations?

**Organizations:** social inventions for accomplishing common goals through group effort. e.g. the Toronto Blue Jays or Sodexo Canada

- Are social inventions meaning their essential characteristic is the coordinated presence of people not necessarily things
- Are interested in goal accomplishments [OB is interested in how organizations adapt and survive with change] Certain behaviors are necessary for survival and adaptation:
  1. Motivation to join and remain in an organization
  2. Carrying out work reliably [productively, quality work and service]
  3. Willing to continuously learn and upgrade skills
  4. Be flexible and innovative
- Are based on group effort, coordination and interaction among people

### What is Organizational Behavior?

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

- Attitudes: Fairly consistent evaluative statements such as I like my boss - how satisfied people are with their jobs, how committed they feel to the goals of the organizations or how supportive they are of promoting women or minorities into management positions.
- Behaviors: Peoples personalities and actions - cooperation, conflict, innovation, resignation

OB is about:

- How to understand people and manage them to work effectively
- How organizations can survive and adapt to change
- How to get people to practice effective teamwork

**Human Resources Management:** Programs, practices, and systems to acquire, develop, and retain employees in organizations. e.g. recruitment and selection, compensation, training and development.

- Author *Jeffrey Pfeffer* argues that **organizations can no longer achieve a competitive advantage through the traditional sources of success** like technology, regulated markets, access to financial resources and economies of scale. He says **the main factor differentiating organizations is their workforce and human capital.**

## Goals of Organizational Behavior

- to predict, explain, and manage behaviour in organizations
  - Predict: when will something occur e.g. when will people skip work or steal?
  - Explain: why do certain things occur e.g. why are people demotivated or prone to resign. Note: there can be more than one cause for one event
  - Manage: acquiring, allocating and utilizing physical and human resources to accomplish goals.
    - **MANAGEMENT**: the art of getting things accomplished in organizations through others.

**Evidence-based management** involves translating principles based on the best scientific evidence into organizational practices rather than personal preference. Derives principles from research evidence and translates them into practices that solve organizational problems.

- Organizations often fail to adapt practices that research has deemed effective.
  - *WHY?*
    1. Lack of Awareness on the practices
    2. Difficult to Comprehend the research
    3. Difficult to Implement these practices
    4. Failure to understand importance of practices

## History of Organizational Behavior:

**Classical Viewpoint**: an early prescription of management that advocated high specialization of labour, intensive coordination, and centralized decision-making. E.g. put 10 bolts on the machine and pass it to the next person

- Early 1900s
- Based on military settings, mining operations and factories
- More power in management positions
- Suggested that each manager have few workers except for in lower-level jobs where it may be acceptable to have more workers
  
- **Fredrick Taylor → Scientific Management**
  - Using research to determine the optimum degree of specialization and standardization of work tasks
  - Carefully planned work and rest times and specific written instructions for workers to increase efficiency

- **Max Weber → Bureaucracy**
  - A strict command of detailed rules, high specialization, centralized power and selection and promotion based on technical competence
  - Each member reports to one single superior
  - Promotion based solely on skills not bias/favoritism
  - Detailed rules to ensure the job gets done the same regardless of the worker
  - Strict specialization matching duties with technical competence
  - Centralization of power at the top of the organization

**The Human Relations Movement [HRM]:** a critique of classical management and bureaucracy that advocated management styles that were more participative and oriented towards employee needs.

- Began with the famous *Hawthorne Studies* of the 1920/30s
  - Took place at the Hawthorne Plant at Western Electric near Chicago
  - Interested in impact of fatigue, rest pauses and lighting on productivity
  - UNEXPECTEDLY researchers began to notice the effect of psychological and social processes on productivity and work adjustment – productivity increased regardless of lighting
  - **Hawthorne Effect:** an improvement in human behavior or performance as a result of increased attention from superiors, clients or colleagues
- Workers became recognized as people
- Advocated for open communication, participation in decision making, and decentralized control
- HRM advocates critiqued Bureaucracy stating:
  - Incompatible with needs for growth and achievement
  - Threatens innovation
  - Resistant to change
  - Encourages minimally acceptable performance
  - Loses sight of overall organizational goals

### **Contemporary Management – The Contingency Approach**

- Recognizes that there is no one best way to manage, and that an appropriate management style depends on the demands of the situation e.g. the consequences of a pay increase is contingent on the need for money.
- Values both classical and human relations approaches

## What Managers Do

- **Managerial roles (Mintzberg)**
  - **Interpersonal roles:** Expected behaviours that have to do with establishing and maintaining interpersonal relations.
    - Figurehead: symbol of the organization e.g. signing a legal document or entertaining clients.
    - Leader: select, mentor, reward and discipline employees
    - Liaison: managers maintain contacts inside and outside the organization
  - **Informational roles:** Receiving and transmitting of information
    - Monitor: following current performance and staying informed of new ideas and trends
    - Disseminator: sending info on facts and preferences to others e.g. an email to employees summarizing a conference
    - Spokesperson: sending messages to the external environment e.g. interview to the press
  - **Decisional roles:** making decisions and choices
    - Entrepreneur: turn problems and opportunities into plans for improved changes
    - Disturbance Handler Role: managing employee conflicts and addressing threats to resources
    - Resource Allocation: how to deploy time, money, personnel and other critical resources.
    - Negotiator: conferring with other organizations and individuals
- **Managerial activities (Luthans et al.)**
  - **Routine communication:** sending and receiving of information (meetings) and the handling of paperwork
  - **Traditional management:** Planning, decision making, controlling
  - **Networking:** interacting with people outside the organization and informal socializing and politicking with insiders
  - **Human resource management:** motivating, reinforcing, disciplining, punishing, managing conflict, staffing, and training and developing
- **Managerial agendas (Kotter):** characterized by a high degree of informal interaction and concern with people issues and a dependence on people they had no power over.
  - **Agenda setting:** managers create ideas of what they want to accomplish for the organization and implement plans to accomplish these goals. Usually unwritten, informal, and concerned with “people issues”
  - **Networking:** Management of internal and external relationships to help accomplish the goals of the manager and organization. Hiring, firing, reassignment within the company etc.

- **Agenda implementation:** Use of networks to implement the agendas. They go anywhere in the network for help – in, out, up or down and employed influence tactics.
- **Managerial minds (Isenberg & Simon):** focus on how managers think instead of act. Showed that managers have a high level of intuition and use it to:
  - Sense problems
  - Perform mental tasks rapidly e.g. sizing up a written contract
  - Synthesize data
  - Double-check analyses e.g. do these projections look correct?

Isenberg and Simon define intuition as problem identification and problem solving based on a long history of systematic and extensive education and experience that enables the manager to locate problems within a network of previously acquired information. They argue that managerial intuition is **NOT** random, irrational or undisciplined.

- **International Managers**
  - The style in which managers act and the emphasis on certain activities will vary greatly across cultures due to variations in cultural values
  - The technical requirements for accomplishing goals are the same across cultures HOWEVER the behavioral requirements differ.

### Contemporary Management Concerns

1. **Diversity**
  - a. Labour force and customers are becoming increasingly culturally diverse due to increased migration
  - b. Diversity of age in the workforce due to the elimination of the mandatory retirement at age 65 and the recent recession and a decrease in life savings will cause more elderly people to remain in the workforce.
  - c. Legal and social pressures to accept minorities and other people such as the disabled and homosexuals into the workforce
  - d. Globalization causes interaction with many cultures
2. **Employee Well Being**
  - a. Increased concerns over job security, increased job demands, work related stress has lead to a deterioration of physical and psychological health and well being of employees
  - b. Increase in absenteeism and employee turnover -> loss of productivity
  - c. **Workplace spirituality:** workplaces that provide employees with meaning, purpose, a sense of community, and a connection to others

- d. **Psychological capital [PsyCap]:** an individual's state of development that is characterized by self-efficacy {confidence to take on challenges}, optimism, hope and resilience.
- 3. **Corporate Social Responsibility**
  - a. An organization taking responsibility for the impact of its decisions and actions on its stakeholders.
  - b. Involves community involvement, environmental protection, safe products, ethical marketing etc.
  - c. Often an indication of a good work environment and how they treat their employees
- 4. **Employee Engagement**
  - a. Talent is ranked as the 2<sup>nd</sup> most critical challenge behind business growth.
  - b. Baby boom has resulted in a large skills gap as they will begin to retire and increased migration leads to labour shortages
  - c. **Talent Management:** an organizations processes for attracting, developing, retaining and utilizing people with the required skills to meet current and future business needs.
  - d. **Work Engagement:** a positive work related state of mind that is characterized by vigor, dedication, and absorption. Helps to improve productivity, customer satisfaction, profitability and organization.

## **APPENDIX: RESEARCH IN ORGANIZATIONAL BEHAVIOUR**

**Hypothesis:** a formal statement of the expected relationship between two variables. A prediction.

- E.g. we hypothesize that people who are trained in groups will perform better than people who are trained alone.
- Hypotheses are not necessarily accurate—we simply wish to test our hypotheses to determine their support

**Variable:** measure that can take on two or more values e.g. temperature, pay, absenteeism, fairness

- **Dependent variables (DV)**
  - is what will be measured; it's what the investigator thinks will be affected during the experiment. e.g. height of a plant, number of absentee employees, number of employees who steal
- **Independent variables (IV)**
  - is what is varied during the experiment; it is what the investigator thinks will affect the dependent variable. E.g. amount of water given to a plant, a wellness program, attendance bonuses

- **Moderating variable**
  - A variable that affects the nature of the relationship between an independent and dependent variable such that the relationship depends on the level of the moderating variable.
  - The IV-DV relationship depends on the level of the moderating variable
  - The moderating variable tells under what conditions, when, or for whom
  - E.g., The relationship between interview scores and job performance depends on the structure of the interview.
  - E.g. Stress [IV] and Depression [DV] Social Support [Moderating Variable]
  
- **Mediating variable**
  - A variable that intervenes or explains the relationship between the IV and DV
  - Explains the relationship between the IV and the DV
  - The mediating variable tells how or why
  - E.g., Why do people who are trained together perform well? Because they develop transactive memory systems.
  - E.g. exposure to the “thin ideal” [IV] and Body Dissatisfaction [DV] Internalization [Mediating Variable]

#### Measurement of Variables

**Reliability:** an index of the consistency of a research subject’s responses. E.g. if you ask someone a series of question about their pay they should respond in roughly the same way to each question or if you ask them every other week the answer should be consistent given no change in pay.

**Validity:** an index of the extent to which a measure truly reflects what it is supposed to measure

**Convergent Validity:** exists when scores on a measure are highly related to scores on other known measures of the same concept

**Discriminant validity:** Exists when scores on a measure are only weakly related to scores on measures of different concepts

\*NOTE: good measures should have **both** convergent and discriminant validity

EXAMPLE: Intelligence

- Convergent validity: scores on a newly developed intelligence test should correlate with scores on existing measures of intelligence

- Discriminant validity: scores on a newly developed intelligence test should not be related to scores on tests about concepts known to be unrelated to intelligence (e.g., physical strength, personality)

**Observational Techniques:** research that examines natural activities of people in an organizational setting by listening to what they say and watching what they do

- It is systematic and objective
- Results summarized in a narrative form, usually a case study

**Participant Observation:** observational research in which the researcher becomes a functioning member of the organizational unit being studied.

- Allows for secrecy, participants don't have to know they are being observed
- Sometimes there is no substitute for experience

**Direct Observation:** observational research in which the researcher observes organizational without taking part in the studied activity.

- Introducing yourself in the environment through participant observation could interfere with the flow of things
- Some jobs would take too long to learn to be able to participate first hand e.g. becoming a pilot to find out what happens in a cockpit
- Sometimes participating reduces the ability to record information

#### Weaknesses of Direct and Participant Observation

- Lack of control over unusual events
- With only one observer there is a strong chance for selective perception and interpretations of events
- Difficulty in Generalization as only specific environments are observed

**Correlation Techniques:** research that attempts to measure variables precisely and examine relationships among these variables without introducing change into the research setting.

- Sacrifices the breadth and richness of observational techniques for more precision of measurement and greater control
- Defined by well defined, specific variables
- It is possible to determine reliability and validity BEFORE doing research
- Usually involves surveys and interviews as well as existing data
  - **Surveys:** the use of questionnaires to gather data from participants, who answer questions based on relevant variables
  - **Interview:** a technique in which the researcher asks respondents a series of questions to gather data on the variables of interest

- **Existing data:** data that is obtained from organizational records, such as productivity, absence and demographic information
- Correlation does not imply causation

### Experimental Techniques

**Experimental research:** research that changes or manipulates a variable under controlled conditions and examines the consequences of this manipulation for some other variable.

**Control Group:** a group of research participants who have not been exposed to the experimental treatment

**Internal Validity:** the extent to which a researcher has confidence that changes in a dependent variable are due to the independent variable

### Threats to internal validity

- Selection of participants – poorly choosing participants e.g. poor random selection
- Testing e.g. Hawthorne Effect
- Instrumentation – if different measures are used at different times during the experiment it may affect their scores
- Statistical regression – overtime peoples scores move to the average
- History - events or factors that occur that can affect the experiment
- Maturation – people change over time
- Mortality – when certain types of people drop out of an experiment before its completion

	Observation	Correlation	Experimentation	
Rich				Specific
Broad Based				Precise
Loosely Controlled				Rigorous

**Sampling:** Regardless of the research technique, it is important to use large, random samples so that our findings can be generalized (external validity)

**Random Sampling:** the research participants are randomly chosen from the population of interest

**Random Assignment:** Randomly assigning participants to the experimental and control conditions of an experiment

**External Validity:** the extent to which the results of a study generalize to other samples and settings

**Quasi-experimental design:** a research technique in which the participants are **not** randomly assigned to the experimental and control conditions.

**Hawthorne Effect:** a favorable response by participants in an organizational experiment that is the result of a factor other than the independent variable that is formally being manipulated

### Ethics

- Researchers in organizational behavior, no matter who employs them, have an ethical obligation to do rigorous research and to report that research accurately
- Primary consideration = well-being of research participants
- Avoid unnecessary deception, inform participants about the purpose of research, protect the anonymity of participants

## CHAPTER 2 & 3

### What is Personality?

- The relatively stable set of psychological characteristics that influences the way an individual interacts with his or her environment.
- It is reflected in the distinctive way that people react to people, situations and problems.
- Determined in a complex way by genetic predisposition and one's long term learning history

### Personality and Organizational Behavior

**Dispositional Approach** states that individuals possess stable traits or characteristics that influence their attitudes and behaviors. Basically, people are predisposed to act a certain way.

- Decades of research failed to support this approach leading to the:

**Situational Approach** states that characteristics of the organizational setting influence people's attitudes and behavior.

- Branched the "**person-situation debate**" where the importance of dispositions versus the specific situation and how a person will act are argued. It was concluded that BOTH approaches are useful leading to the:

**Interactionist approach:** individuals' attitudes and behavior are a function of both dispositions and the situation.

- In order to predict and understand organizational behavior you must know something about an individual's personality and the setting in which he or she works

**Trait activation theory** states that traits lead to certain behaviors only when the situation makes the need for the trait salient. Therefore, personality characteristics influence people's behavior when the situation calls for a particular personality trait.

- There is no one best personality so managers should appreciate employee diversity
- Finding the right fit for every employee is the key concept – putting the right person in the right job, group, or organization and exposing them to different management styles

Newfound interest in Personality Research Due To:

- Advances in measurement and trends in organizations
- Development of the **Five-Factor Model or the “Big Five”** – a framework for classifying personality characteristics into five general dimensions. **OCEAN**

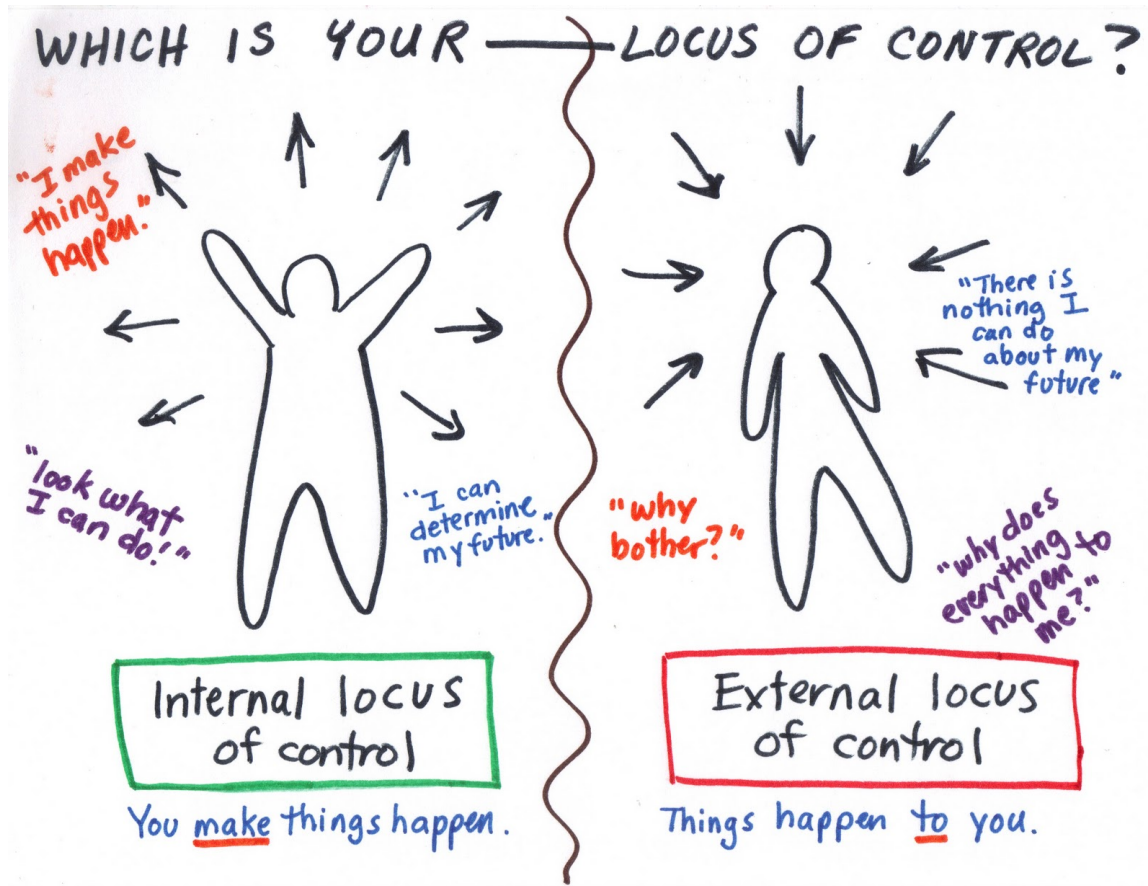
Trait	Description
<b>Openness to Experience</b>	<i>How Open You are to New Experiences</i> Curious, Original vs. Dull, Unimaginative
<b>Conscientiousness</b>	<i>How You Focus on Work and Goals</i> Dependable, Responsible vs. Careless, Impulsive
<b>Extraversion</b>	<i>How You Tolerate Interaction with Others</i> Sociable, Talkative vs. Withdrawn, Shy
<b>Agreeableness</b>	<i>How You Act with Others</i> Tolerant, Cooperative vs. Cold, Rude
<b>Neuroticism [Emotional Stability]</b>	<i>How You Respond To Stress</i> Stable, Confident vs. Depressed, Anxious

#### Research Evidence for the Big Five

- Each of the 5 dimensions are related to job performance and organizational citizenship behaviors (voluntary behavior that contributes to organizational effectiveness)
- The Most important of the Big 5 Traits **DEPENDS** on the job e.g. high extraversion would be important for managers and salespeople.
- The Big Five Traits are also related to other work behaviors such as retention and absenteeism e.g. extraverts tend to be absent more often than introverts.
- Related to work motivation and job satisfaction
  - Neuroticism and conscientiousness were strong predictors of motivation
- Positive Scores in The Big Five **EXCEPT** neuroticism relate to the intensity of a job seekers job search

#### Locus of Control

- A set of beliefs about whether one's behavior is controlled mainly by internal or external forces



### **Self-monitoring**

- The extent to which people observe and regulate how they appear and behave in social settings and relationships

Low – Self Monitors	High – Self Monitors
<ul style="list-style-type: none"> <li>○ Wear their heart on their sleeve</li> <li>○ Not concerned with fitting in</li> </ul>	<ul style="list-style-type: none"> <li>○ Take great care to observe the thoughts, actions and feelings of those around them</li> <li>○ Behave like actors</li> <li>○ Show Concern for socially appropriate emotions and behaviors</li> </ul>

- High self-monitors tend to gravitate to jobs that require by nature a degree of role-playing and self-presentation skills e.g. sales, law, public relations and politics.
  - They do well in jobs that require adaptability and flexibility.

- It may be hard for them to deal with unfamiliar cultures as they won't know how to act

### Self-Esteem

- The 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
  - **WHY?** They are unsure of their own beliefs and opinions so they adapt others
  - Employees with low self esteem react badly to negative feedback and it affects future performance
  - Opportunity for participation in decision making, autonomy, and interesting work has been found to be related to high self esteem

### New Developments in Personality and Organizational Behavior

The following two are emotional dispositions that predict people's general emotional tendencies unlike personality traits, which can depend on the situation.

- **Positive affectivity** is the propensity to view the world, including oneself and other people, in a positive light
- **Negative affectivity** is the propensity to view the world, including oneself and other people, in a negative light

### Proactive Personality

- **Proactive behavior** is taking initiative to improve current circumstances or creating new ones

- **Proactive Personality** is a stable personal disposition that reflects a tendency to take personal initiative across a range of activities and situations and to effect positive change in one's environment
  - Related to job satisfaction, performance, organizational citizenship behaviors, tolerance for stress in demanding jobs, entrepreneurship etc.

### General Self-Efficacy [GSE]

- A general trait that refers to an individual's belief in his or her ability to perform successfully in a variety of challenging situations
  - Is a motivational trait as it reflects an individual's belief that they can succeed rather than how they feel about themselves
  - High GSE is usually due to high levels of success in life
    - Helps you adapt to new, uncertain, adverse situations
    - Higher job satisfaction and job performance

### Core Self-Evaluations

- A broad personality concept that consists of more specific traits that reflect the evaluations people hold about themselves and their self-worth
  - Based on:
    - Self-esteem
    - General self-efficacy
    - Locus of control
    - Neuroticism [emotional stability]

### Learning

- A relatively permanent change in behavior potential that occurs due to practice or experience

## What do Employees Learn?

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 – interactive skills e.g. communicating, teamwork, and conflict resolution
4. Cultural Awareness – the social norms of organizations, understanding company goals, business operations, company expectations and priorities

## How Do Employees Learn?

**Operant Learning Theory** – learning by which the subject learns to operate on the environment to achieve certain consequences

- a. Behaviour changes because of events that occur after the behaviour
- b. i.e. person takes Tylenol -> headache goes away -> increased tendency to take Tylenol for headache relief
- c. Increasing the Probability of Behaviour
  - i. **Reinforcement**: the process by which stimuli strengthens behaviors
  - ii. **Positive Reinforcement**: the application or addition of a stimulus that increases or maintains the probability of some behavior
  - iii. **Negative Reinforcement**: the removal of a stimulus that in turn increases or maintains the probability of some behavior

## Organizational Errors Involving Reinforcement

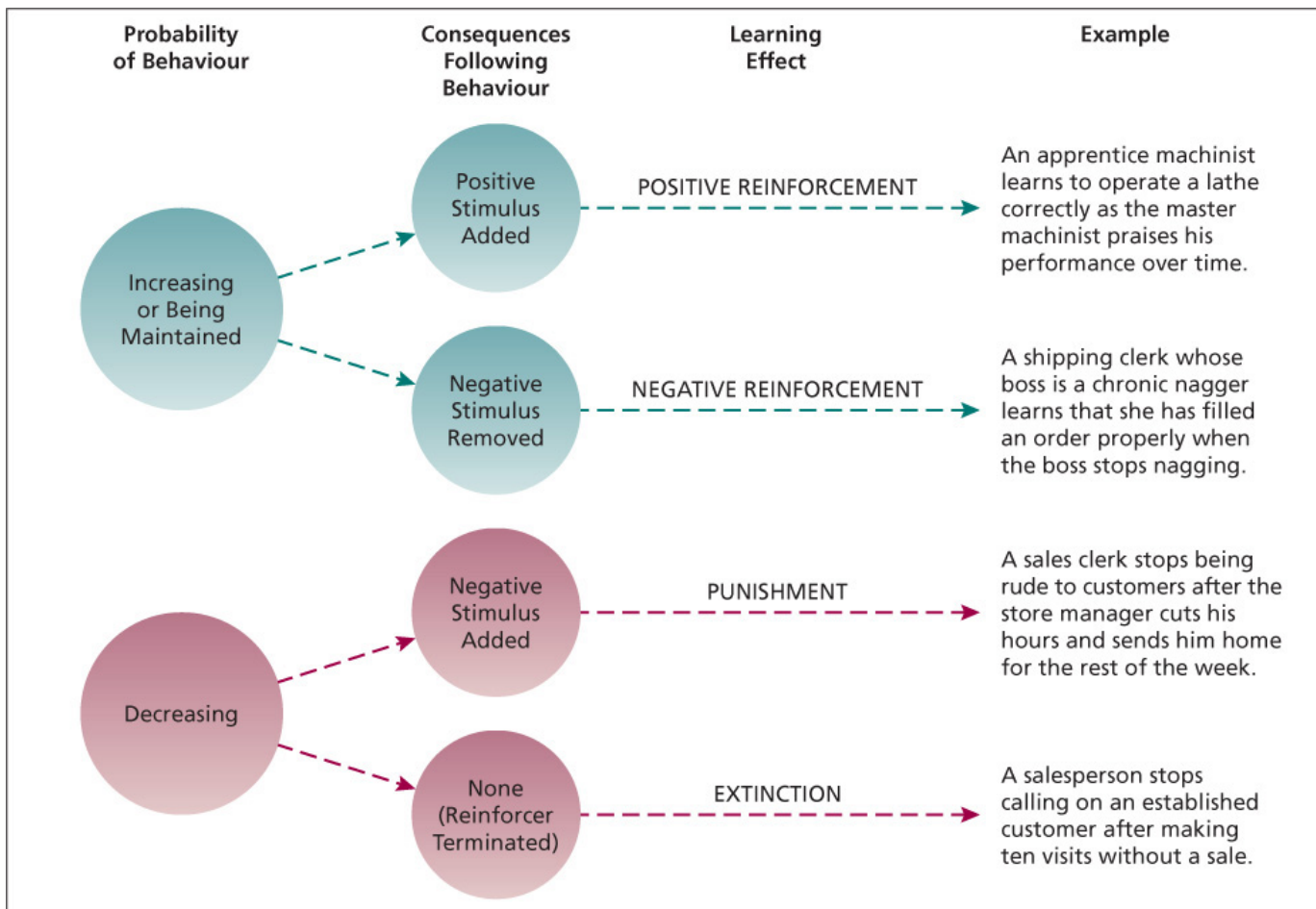
- Confusing rewards with reinforcers e.g. promotions, paid vacation, overtime work
- Neglecting diversity in preferences for reinforcers e.g. giving workaholics time off, or senior level employees bonuses – not necessarily the best match
- Neglecting important sources of reinforcement
  - **Performance 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

- **Fast learning** is facilitated by continuous, immediate reinforcement
  - ✦ E.g., A supervisor may deal with safe work behaviour using immediate encouragement in every situation in which safe work behaviours are demonstrated.
  - ✦ Useful when correcting the behaviour of “problem” employees, training employees for emergency operations and dealing with unsafe work behaviours
- **Persistent learning** is facilitated by delayed, partial reinforcement
  - ✦ E.g., A supervisor may provide occasional feedback late in the day to employees who were on time for work.

### Reducing the Probability of Behaviour

- **Extinction** is the gradual dissipation of behavior following the termination of reinforcement e.g. if someone is said to be the funny guy and always tells jokes and you get people to stop laughing at him he won't tell jokes anymore
- **Punishment** is the application of an aversive/unpleasant stimulus following some behavior designed to decrease the probability of that behavior



**EXHIBIT 2.4** Summary of learning effects.

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### Using Punishment Effectively

#### *Issues With Punishment:*

- Punishment does not demonstrate which activities should replace the punished response
- Punishment evokes strong emotional reactions

#### *How To Increase The Effectiveness of Punishment:*

- Ensure the chosen punishment is truly aversive e.g. don't give people who skip work, a week off of work
- Punish immediately
- Do not reward unwanted behaviours before or after punishment
- Do not inadvertently punish desirable behaviour

- Punishment can be effective, but generally reinforcement and extinction are safer strategies

**Social Cognitive Theory** – emphasizes the role of cognitive processes in learning and in the regulation of people’s behavior.

People learn by:

- Observing others behaviors
- Considering the consequences of their actions
- Setting performance goals and matching their performance to it

Human behavior can best be explained through a system of triadic reciprocal causation in which personal factors and environmental factors work together and interact to influence people’s behavior.

Made of 3 components:

- 1. Observational Learning** – the process of observing and imitating the behavior of others.
  - a. People who are imitated...
    - i. Tend to be attractive, credible, competent, high-status
    - ii. Provoke consequences that are seen as positive and successful
    - iii. Engage in behaviour that is vivid and memorable
- 2. Self-Efficacy Beliefs** – beliefs people have about their ability to successfully perform a specific task
  - a. Influenced by...
    - i. One’s experiences and success performing the task
    - ii. Observation of others performing the task
    - iii. Verbal persuasion and social influence
    - iv. One’s physiological state
- 3. Self-Regulation** – the use of learning principles to regulate one’s own behavior
  - a. Basic process...
    - i. Self-observation: observe one’s own behaviour
    - ii. Self-evaluation: compare the behaviour with a standard
    - iii. Self-reinforcement: reward oneself if the behaviour meets the standard

## Organizational Learning Practices

- **Organizational Behavior Modification [O.B. Mod]** – the systematic use of learning principles to influence organizational behavior e.g. reducing workplace accidents with safe work practices
- **Employee Recognition Programs** are formal organizational programs that publicly recognize and reward employees for specific behaviors.
  - **Peer recognition programs** are formal programs in which employees can publicly acknowledge, recognize, and reward their co-workers for exceptional work and performance.
    - Improves job satisfaction, performance and productivity and lower turnover rates
- **Training and Development Programs** – training is planned organizational activities that are designed to facilitate knowledge and skill acquisition to change behavior and improve performance on one’s current job; development focuses on future job responsibilities
  - **Behavior Modeling Training [BMT]** – one of the most widely used and effective methods of training, involving five steps based on the observational learning component of social cognitive theory
    1. Describe to trainees a set of well defined skills to be learned
    2. Provide models displaying the effective use of the skills
    3. Provide opportunities for trainees to practice using those behaviors
    4. Provide feedback and social reinforcement to trainees following practice
    5. Take steps to maximize the transfer of those behaviors to the job
- **Career Development** – an ongoing process in which individual’s progress through a series of stages that consist of a unique set of issues, themes, and tasks. Usually involves assessing one’s interests, skills and abilities in order to develop goals and career plans.

## What is Perception?

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

\*key: it's about how YOU interpret reality e.g. you think your pay is low although you are in reality the highest paid employee on your level so you seek other employment

## Components of Perception

1. The Perceiver
  - Affected by experience, motivational state, and emotional state
  - **Perceptual Defence** is the tendency for the perceptual system to defend the perceiver against unpleasant emotions – “see what you want to see”, “hear what we want to hear”
2. The Target
3. The Situation
  - Can add info about the target e.g. how you receive a comment from your boss a week before she will decide to promote you or not will be taken differently than if you were not going to be promoted regardless

## Social Identity Theory

- States that people form perceptions of themselves based on their personal characteristics and memberships in social categories
- Our sense of self = personal identity + social identity
  - Personal identity: based on our unique personal characteristics e.g. interests, abilities, and traits
  - Social identity: based on our perception that we belong to various social groups e.g. gender, nationality, religion, occupation
- We categorize ourselves and others to make sense of and understand the social environment
- The choice of specific categories depends on what is most salient and appropriate to the situation
  - E.g., job title is salient at a meeting
  - E.g., fix-it skills are salient at home
- People tend to perceive members of their own social categories in more positive ways than those who belong to other categories

## A Model of the Perceptual Process

- Jerome Bruner
- Shows that perception is:

- Selective
- Constant e.g. if you get off on a bad foot with someone its hard to see the good in them after that
- Consistent – selecting, ignoring and distorting cues to make one picture of the target – we don't see someone as good and bad or reliable and untrustworthy

Model	Example
Unfamiliar target encountered	New co-worker
↓	↓
Openness to target cues	Observation; search for information
↓	↓
Familiar cues encountered	Co-worker is Stanford graduate with good grades
↓	↓
Target categorized	Co-worker is "good man" with "great potential"
↓	↓
Cue selectivity	Co-worker's poor performance ignored or distorted
↓	↓
Categorization strengthened	Co-worker is still "good man" with "great potential"

EXHIBIT 3.3  
Bruner's model of perceptual bias: an example.

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### Basic Biases in Person Perception

**Primacy effect** – the tendency for a perceiver to rely on early cues or first impressions. It is a form of selectivity, and illustrates the consistency of perception

**Recency effect** – the tendency for a perceiver to rely on recent cues or last impressions e.g. landing a big contract today might be perceived as excusing a whole year's bad sales performance.

**Central Traits** – personal characteristics of a target person that are of particular interest to a perceiver e.g. physical appearance – attractive people are more likely to be hired

**Implicit Personality Theories** – personal theories that people have about which personality characteristics go together e.g. assuming hardworking people are also honest or a strict boss is insensitive

**Projection** – the tendency for perceivers to attribute their own thoughts and feelings to others – assuming others are like you. Can be useful or harmful e.g. if you're honest and assume others are honest you might find stolen goods from the job

**Stereotyping** – the tendency to generalize about people in a certain social category and ignore variations among them.

- Categories may include race, age, gender, ethnic background, religion
- Three specific aspects to stereotyping:
  - We distinguish some category of people (uni professors)
  - We assume that the individuals in the category have certain traits (absent-minded, disorganized)
  - We perceive that everyone in this category possesses these traits (all my profs will be absent-minded and disorganized)

### Attribution

- The process by which causes or motives are assigned to explain people's behavior
  - Rewards and punishments based on this – why did this person act this way?
- **Dispositional Attributions:** explanations for behavior based on an actor's personality or intellect. We say the behavior reflects the "true person"
- **Situational Attributions:** explanations for behavior based on an actor's external situation or environment. e.g. something was due to bad weather, good luck etc.
- How do we know which one it was?
  - *Consistency Cues* – Attribution cues that reflect how consistently a person engages in a behavior over time - does the person do this regularly?
  - *Consensus Cues* – attribution cues that reflect how a person's behavior compares with that of others - do most people do this, or is this unique to the person?
  - *Distinctiveness Cues* – attribution cues that reflect the extent to which a person engages in some behavior across a variety of situations - does the person do this in many situations or in just one?

### Biases in Attribution

**Fundamental Attribution Error** – 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 actor’s behavior differently – you, the actor say it’s situation and observers say it’s you.

**Self-Serving Bias** – the tendency to take credit for successful outcomes and to deny responsibility for failures e.g. if you do well on an exam – I’m a natural if you do poorly – the teacher was crap

### Person Perception and Workforce Diversity

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

- Workforce is becoming more diverse
  - Increased migration
  - Minority groups are growing
  - The labour pool is changing
- Growing recognition that many organizations have not successfully managed workforce diversity
  - Before: Mentality to TOLERATE minorities (keep them in mind)
  - Now: we need to VALUE diversity

### Advantages of Valuing and Managing a Diverse Workforce

- **Cost Argument:** the cost of a poor job in integrating workers will increase, those who handle this well will thus create cost advantages over those who don’t. e.g. if you have a team not getting along together it may decrease productivity or efficiency etc.
- **Resource-Acquisition Argument:** companies that develop a reputation for valuing diversity and certain minority groups will gain a competitive edge that will be useful as the labour pool shrinks and changes.
- **Marketing Argument:** insight and cultural sensitivity that members with roots in other countries bring to the marketing effort should improve their marketing department
- **Creativity Argument:** diversity of perspectives and less emphasis on conformity to the norms of the past should improve the level of creativity
- **Problem-Solving Argument:** diversity in decision and problem solving groups potentially produces better decisions through a wider range of perspectives and more thorough critical analysis of issues
- **System Flexibility Argument:** should lead to fewer determinants, less standardization, and therefore more fluidity that should create greater flexibility to react to environmental changes.

### Stereotypes and Workforce Diversity

**Stereotype:** the tendency to generalize about people in certain social categories and ignore variations among them. Usually based on gender, age, race, religion, and ethnicity.

**Stereotype threat:** members of a social group feel they might be judged or treated according to a stereotype and that their behavior and/or performance will confirm the stereotype.

### *Racial, Ethnic and Religious Stereotypes*

- Usually pervasive, persistent, frequently negative, and often self contradictory
  - E.g. calling a group lazy and then blaming them for taking all their jobs
- Whites found to advance further than blacks in their careers, with identical education, references, height etc.
- Female job applicants that appeared to be Muslim experienced more negative interpersonal behavior and discrimination than non Muslims
- In the US ¼ of workers from diverse backgrounds reported being discriminated against/treated unfairly.

### *Gender Stereotypes*

- Women underrepresented in managerial and admin jobs (14.4%)
- Managers were thought to require “masculine” features
- Research shows both men and women are effective leaders
- Women are more likely to make compromises and sacrifices for their career but still don’t have leadership roles.
- Why do women fail to be leaders?
  - Higher performance standards for women
  - Inadequate recognition
  - Gender similarity as a basis for promotion
  - Work/home conflict
  - Lack of support
  - Exclusion from social networks
  - Lack of mentors
- **Lean In**
  - Book written by Chief Operating Officer of Facebook, Sheryl Sandberg
  - Promoted the idea of a “leadership ambition gap” between men and women
  - “Women systematically underestimate their own abilities”
  - Controversial because suggested that women themselves are to blame for so few women in leadership positions—rather than institutional, cultural, and psychological factors

## *Age Stereotypes*

- Assumptions based on the person's physical, psychological and intellectual capabilities.
  - E.g. older people are less physically capable, slower etc.

## Mentoring

- Alternatives to traditional mentoring
  - Peers
  - Team members
  - Mentoring circles
  - Professional groups
  - Virtual mentoring

**Virtual Mentoring:** Implementing video conferencing via the Internet and e-mail to mentor individuals and whole companies

- Advantages
  - Access
  - Privacy (anonymity of internet)
  - Low cost
  - Convenience
- Disadvantages
  - Not as effective for interpersonal skills
  - Little research
  - Privacy (e-mail record)

## Perceptions of Trust

**Trust:** a psychological state in which one has a willingness to be vulnerable and to take risks with respect to the actions of another party. Based on 3 elements:

**Ability:** employee perceptions regarding management's competence and skills

**Benevolence:** the extent that 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 [POS]:** employees' general belief that their organization values their contribution and cares about their well-being.

- Positive POS: employee believes their organization will provide assistance when they need it to perform their job effectively or to deal with stressful situations.

## Trust Model



*Respect:* showing appreciation for employee efforts, caring for employees as people with lives outside work, seeking employee opinions and including them in decision making, ensuring people have the right equipment to do their job

*Credibility:* being approachable and easy to talk with, making expectations clear, trusting people without looking over their shoulder, being reliable, delivering on promises, articulating a clear vision for the company or department

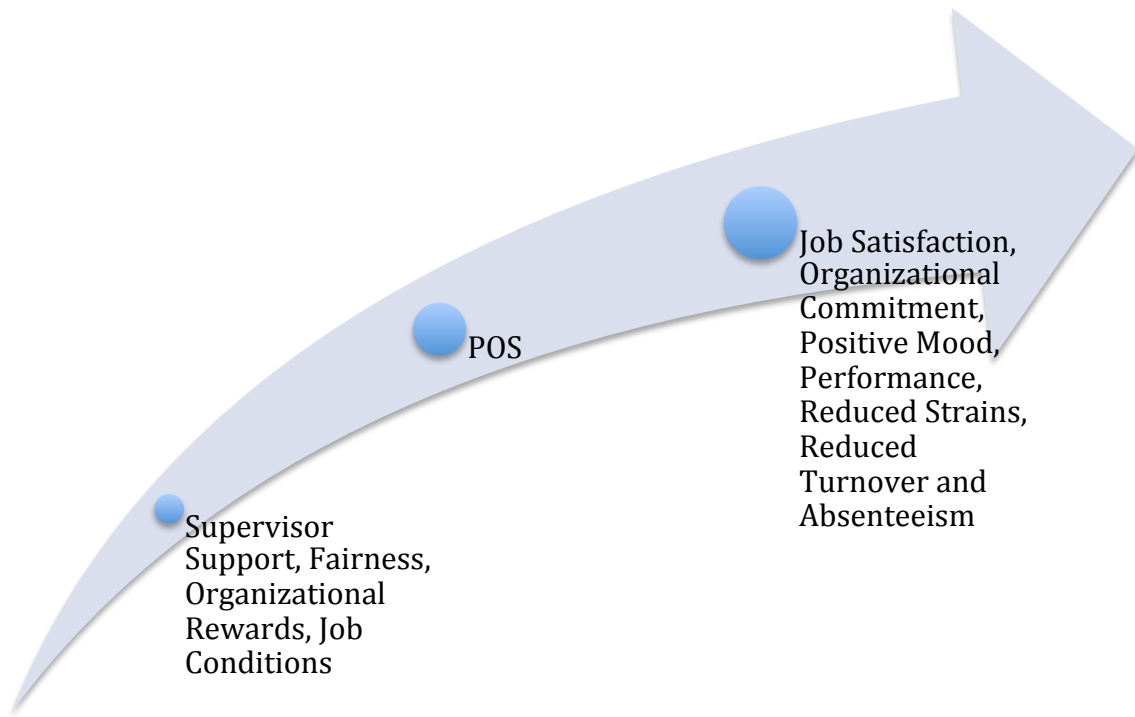
*Fairness:* ensuring all employees have opportunities for rewards and recognition, avoiding playing favorites, treating all employees fairly, pay fairness

*Camaraderie:* creating an environment where employees can be themselves and care about each other, welcoming new employees to a friendly environment, celebrating special events, "all in this together" mentality

*Pride:* helping employees feel they personally make a difference, inspiring employees, helping employees feel proud of the company as a whole

**Organizational support theory:** a theory that states that employees who have strong perceptions of organizational support feel an obligation to care about the organization's welfare and to help the organization achieve its objectives.

- Employees with a high POS have higher job performance, are more satisfied with their jobs, more committed to the organization and less likely to be absent.



### Person Perception in Human Resources

**Signaling theory:** job applicants interpret their recruitment experiences as cues or signals about unknown characteristics of an organization and what it will be like to work in an organization.

### Threats to the Validity of an Interview

- Applicants display an especially favorable impression of themselves
- Interviewers compare applicants to stereotypes of an 'ideal worker'
- Interviewers have a tendency to exhibit primacy reactions
- *Contrast Effects:* previously interviewed job applicants affect an interviewer's perception of a current applicant, leading to an exaggeration of differences between applicants.

**Realistic job previews (RJP)** involve giving an applicant an honest assessment of a job.

Helps to improve:

- Job satisfaction
- Turnover – slightly lower
- Commitment
- Attrition - self selecting out of a job before the employer does so – e.g. you realize oh I can't lift 50 lbs of stuff at a time...maybe I shouldn't do this.

Great when employee:

- Can be selective about accepting a job offer
- Has unrealistic job expectations
- Would have difficulty coping with job demands

**Face validity** is the appearance that items in a test are appropriate for the intended use of the test, based on the judgments of individuals who take the test

- Related to test-taking motivation, decreased chance of lawsuits, perceptions of fairness

#### Cons of Unstructured Interviews

- Poor intuitive ability
- Lack of job relatedness
- Primacy effects
- Contrast effects
- Negative information bias
- Interviewer-interviewee similarity
- Interviewee appearance
- Nonverbal cues

#### Structured Interviews

- Evaluation standardization
- Question sophistication
- Question consistency
- Rapport building – limited in the structured interviews – occurs when the interview goes off topic etc. start talking about favourite sports as opposed to their job qualifications

#### *Situational questions*

- Hypothetical, future-oriented
- Candidates are asked how they would respond if confronted with a particular problem

#### *Behavioural questions*

- Experience-based, past-oriented

- Candidates are asked to think about how they handled situations in the past

## Perceptions and the Performance Appraisal

### *Objective and Subjective Measures*

- Objective measures do not involve a substantial degree of human judgment  
e.g. the number of publications a professor has in top journals
  - As you move up an organization it becomes more difficult to find objective indicators of performance and are often influenced by situational factors
- Subjective measures, usually provided by managers.
  - Possible perceptual roadblocks faced by the manager – usually likely when an employee’s job activities can’t be monitored directly. E.g. police sergeant can’t ride in 6 cars at the same time and telephone company supervisors can’t climb every telephone pole or visit each customer’s home. In these instances the target is AMBIGUOUS.

### *Rater Errors*

**Leniency:** the tendency to perceive the job performance of rates as especially good

**Harshness:** the tendency to perceive the job performance of rates as especially ineffective

**Central Tendency:** the tendency to assign most rates to middle-range job performance 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

**Behaviorally anchored rating scale [BARS]:** a rating scale with specific behavioral examples of good, average, and poor performance.

- E.g. good: employee who smoothens things over with an irate customer turning them into a satisfied customer
- Poor: tell a customer that a six week old order could not be exchanged even though it was only purchased two weeks ago.

**Frame-of-referencing [FOR] training:** a training method to improve rating accuracy that involves providing raters with a common frame of reference to use when rating individuals.

**Objective production data:** production and sales data used to assess individual job performance

- E.g., salespeople are appraised by counting their sales volume over a given period

- But, may not exist for some jobs

**Personnel data:** Data retained by a company's human resources office

- E.g., absenteeism, accidents
- Rarely give a comprehensive picture

**Judgmental data:**

- Finding objective measures is difficult
- Judgmental data are commonly used, apply to most jobs
- Include supervisor, self, peer, other assessments

Accurate rating is most likely to occur if:

- Performance is clearly defined
- Distinguishing among workers is encouraged
- Trust levels are high
- Low ratings do not automatically result in the loss of rewards
- Rewards are linked to performance appraisal accuracy

Assignment #1 Answers given out in class.

1. Negative reinforcement
2. Extinction
3. Negative reinforcement
4. Positive reinforcement
5. Punishment
6. Extinction
7. Negative reinforcement
8. Positive reinforcement
9. Positive reinforcement
10. Punishment

## CHAPTER 4

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

*Preferences:* indicates values deal with what we view as good/bad. Also, shows they are motivational as they signal the attractive aspects of our environment and deter the negative, basically signaling how we should and should not act.

*Broad tendency:* values are general and don't predict behavior in specific situations very well

e.g. achievement or power

4 Generations in today's workplace:

*Traditionalists [1922-45]:* hard working, stable, loyal, detail oriented...

*Baby Boomers [1946-64]:* team perspective, experienced, knowledgeable, service oriented

*Generation X [1965-80]:* independent, adaptable, creative, willing to challenge the status quo

*Millennials [1981-2000]:* optimistic, multi task, technologically savvy, team oriented

Twenge et al. did a survey with many people to see what they value across generations. Measured amongst 5 variables: Leisure, intrinsic, altruistic, social, extrinsic rewards. He found a slight difference between the two.

Money, Status and Rapid Career Growth are the main difference between Generation X and Y compared to baby boomers.

What are the implications for OB and Management today?

- Attract and retain people with leisure time and extrinsic rewards
- Offer compressed work week and/or flex time

Challenge for organization to create values that fits with all 4 generations. A good person-organization fit (when employee values = organizational values) leads to positive work attitudes and behaviors, reduced chances of quitting.

### Cultural Differences in Values

**Work Centrality:** the extent to which people perceive work as a central life interest

- Japan: high, US: average, UK: low
- People with average/high work centrality tend to work longer hours and will probably work even if they didn't need the money

- Imagine a Japanese man coming to the UK expecting to work late into the night and learning we only work from 9-5

**Hofstede's Study:** Hofstede questioned 116 000+ IBM employees in 40 different countries (+36 countries later on) about their work related values. He discovered 4 basic dimensions where work-related values differed across cultures.

- *Power distance:* the extent to which an unequal distribution of power is accepted by society members
  - Small power distance cultures: inequality is minimized, superiors are accessible and power differences are downplayed e.g. Denmark, New Zealand, Austria
  - Large power distance cultures: inequality is natural, superiors are inaccessible, and power differences are highlighted. E.g. Philippines, Russia, Mexico
- *Uncertainty avoidance:* the extent to which people are uncomfortable with uncertain and ambiguous situations
  - Strong uncertainty avoidance cultures stress rules, regulations, hard work, conformity e.g. Japan
  - Weak uncertainty avoidance cultures less value in hard work and rules but risk taking is values e.g. Sweden
- *Masculinity/femininity*
  - Masculine cultures clearly differentiate gender roles, support dominance of men and stress economic performance e.g. Japan
  - Feminine cultures accept fluid gender roles, stress sexual equality and quality of life. E.g. Scandinavia
- *Individualism/collectivism:*
  - Individualistic societies stress independence, individual initiative and privacy.
  - Collective cultures favor interdependence and loyalty to family or clan
- *Long-term/short-term orientation (was added later)*
  - Long term: stress persistence, perseverance, thrift, and close attention to status differences e.g. China
  - Short term: stress personal steadiness and stability, face-saving (avoiding awkward situations by acting a certain way), and social niceties e.g. US, Canada

### Implications of Cultural Variation

- OB research and practice from one culture may not be effective in others
- Cross-cultural differences in customers must be appreciated
- Organizations should select, train, and develop employees to appreciate differences in cultural values

*Exporting OB Theories:* imposing western values on the east – main focus in OB is how do I do this?

*Importing OB Theories:* implementing eastern values in the west – smartest to tailor the practice to the home culture's concerns

*Appreciating Global Customers:* must appreciate cross-cultural differences in values to understand the needs of the customer

*Developing Global Employees:* requires precise selection, training, and development of employees

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

- They influence our behavior toward some object, situation, person but attitudes are NOT always consistent with behavior
- BELIEF + VALUE => Attitude → Behavior
  - “My job is interfering w my family life” [belief]
  - “I dislike anything that hurts my family” [value]
  - “I dislike my job” [attitude] → “ill search for another job” [behavior]

**Job satisfaction:** a collection of attitudes that workers have about their jobs.

- *Facet satisfaction:* the tendency for an employee to be more or less satisfied with various facts of the job “I hate my boss but love my work”
  - Facets: the work itself, pay, career opps, recognition, benefits, work conditions, supervision, co workers, organizational policies  
MEASURED WITH.....
- **Job Descriptive Index [JDI]** is a popular measure of job satisfaction
  - A questionnaire that evaluates people, pay, supervision, promotions and the work itself. Answers are yes, no, ? [I can't decide]
- **Minnesota Satisfaction Questionnaire [MSQ]** measures job satisfaction with 21 different aspects you can like/dislike
  - Respondents indicate satisfaction in different aspects of their job on a scale ranging from 'very satisfied' to 'very dissatisfied'
- *Overall satisfaction:* an overall indicator of a person's attitude toward their job that cuts across different facets “on the whole, I like my job”  
MEASURED WITH...
- **Jobs in General Scale [JIG]**

## Key Contributors to Job Satisfaction

- *Mentally Challenging Work*: work that tests employees' skills and abilities is usually seen as important and personally involving. However, some may personally prefer uninvolved repetitive work
- *Adequate Compensation*: pay and job satisfaction are positively correlated, however some people will work regardless of the pay. It depends on the need for the money and the availability of other jobs
- *Career Opps*: opportunities for promotion, raises, recognition in and out of the company
- *People*: friendly, considerate, good-natured superiors and co-workers create a positive work environment as well as workers that help you/make it easier to attain job outcomes that you value.
- *Discrepancy*: covered below
- *Fairness*: covered below
- *Disposition*: covered below
- *Mood and emotion*: covered below

**Discrepancy Theory**: states that job satisfaction stems from the discrepancy between the job outcomes wanted and the outcomes that are perceived to be obtained e.g. high pay satisfaction is due to a small gap between the pay received and the perception of how much pay should be received

**Distributive fairness/justice**: fairness that occurs when people receive the outcomes they think they deserve from their jobs.

- Ultimate distribution of work rewards and resources
- Rules: you choose one or a mix of these...the most common one is dependent on cultures
  - Equity: contributions you put in e.g. I put in lots of work I deserve rewards (more common in north America)
  - Equality: random, equal chance of getting an outcome
  - Need: based on who needs it the most

**Equity theory**: states that job satisfaction 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

$$\frac{\text{My Outcomes}}{\text{My Inputs}} = \frac{\text{Other's Outcomes}}{\text{Other's Inputs}}$$

e.g. Sally Jessy Raphael vs Oprah both do the same talk show types but receive significantly different pay

**Inputs:** anything that people give up, offer or trade to their organization in exchange for outcomes e.g. education training, seniority, hard work, high quality work

**Outcomes:** factors than an organization distributes to employees in exchange for their inputs e.g. pay

Fair	Unfair
$\frac{A \text{ Grade}}{100 \text{ Hours}} = \frac{C \text{ Grade}}{50 \text{ Hours}}$	$\frac{C \text{ Grade}}{100 \text{ Hours}} = \frac{A \text{ Grade}}{50 \text{ Hours}}$

**Procedural fairness/justice:** fairness that occurs when the process used to determine work outcomes is seen as reasonable.

- Contributors to procedural fairness:
  - Consistent procedures over time and across people
  - Use of accurate information and lack of bias
  - Two way communication allowed during the process
  - Welcomes appeals of the procedure

**Interactional Fairness/justice:** occurs when people feel they have received respectful and informative communication about an outcome

- Combined with procedural fairness may offset the negative effects of distributive fairness

**Disposition:** how your personality effects your feelings, some people are predisposed by virtue of their personality to be more or less satisfied despite changes in discrepancy or fairness

- Genetics, extroversion, conscientiousness, emotional stability, self-esteem, internal locus of control

### Mood and Emotion

**Emotions:** intense, often short lived feelings caused by a particular event

**Moods:** less intense, longer-lived, and more drawn-out feelings

**Affective Events Theory:** states that jobs consist of a series of events and happenings that have the ability to provoke certain emotions and moods depending on how we evaluate these events. [Russell Cropanzano]

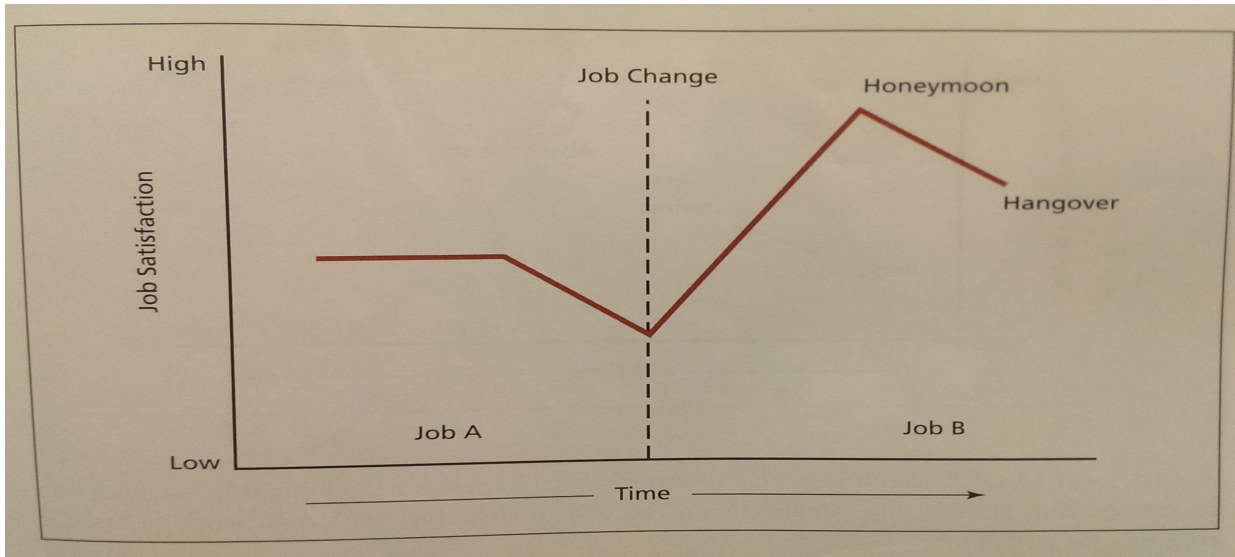
Mood and emotion can have their effects through....

- **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 despite their true mood or emotions. E.g. customer service reps must be happy and useful at all times

- Can lead to increased stress and decreased job satisfaction as employees feel they are being fake

### Consequences of Job Satisfaction

- *Absence from Work*: less satisfied employees are more likely to be absent. However there are many factors contributing to absenteeism so there's not a direct connection:
  - Illness, weather, child care problems
  - Attendance control policies e.g. do you get paid for sick days?
  - Peer influence may guide their behavior and create an 'absence culture'
- *Turnover*: resignation from an organization
  - Caused by a combo of job satisfaction, commitment to the organization and various 'shocks'
    - Marital breakup, birth of a child, unsolicited job offer in an attractive location
    - Employee dissatisfaction with their job may be offset by a strong commitment to the overall values and mission of the organization
    - Employee may be heavily involved in the community and it may be better to stay in the community with a bad job than leave
    - Weak job market with limited employment alternatives
- *Performance*: the relationship between job satisfaction and performance is complex as many factors influence motivation and performance other than satisfaction.
  - Overall, jobs with more interesting content tend to lead to increased productivity.
  - If good performance is followed by rewards performance tends to be high
  - **The honeymoon-hangover effect**



**Organizational Citizenship Behavior [OCB]:** voluntary, informal behavior that contributes to organizational effectiveness. E.g. you are frustrated trying to work your jobs software and your colleague notices you struggling so comes over and helps you. Note it must be:

- Voluntary
- Spontaneous
- Contributes to organizational effectiveness
- Unlikely to be picked up and rewarded by the performance evaluation system

Involves behaviors such as:

- Altruism: helping with a problem
- Conscientiousness: punctual, good attendance, following rules
- Courtesy: respectful of others' rights
- Sportsmanship: avoiding complaints and gossiping
- Civic virtue: attending meetings, speaking up on issues

According to Stats Canada, dissatisfaction is related to:

- Manufacturing/sales work
- Night-shift work
- Lower wages
- Stress at work
- Age (younger more dissatisfied)
- Poor self-perceived health
- Use of sick days

### Customer Satisfaction and Profit

Job satisfaction → customer/client satisfaction → organizational profitability

## WHY?

- Reduced absenteeism and turnover contribute to seamless delivery of service and good teamwork
- Good mood of employees can be contagious on customers

## Organizational Commitment

**Organizational commitment:** an attitude that reflects the strength of linkage between an employee and an organization and has implications for whether someone tends to remain in an organization

John Meyer and Natalie Allen identified 3 types of organizational commitment

- **Affective commitment:** commitment based on identification and involvement with an organization. Staying because you want to
  - Predicted by: interesting work, satisfying work, role clarity, having your expectations met
  - Consequences: an intent to remain, increased performance and OCB
- **Continuance commitment:** commitment based on the costs that would be incurred in leaving an organization. Staying because you have to.
  - Predicted by: feelings of personal sacrifice in leaving, no good alternatives, high integration in the community
  - Consequences: intent to remain, decreased performance
- **Normative commitment:** commitment based on ideology or a feeling of obligation to an organization. Staying because you should
  - Predicted by: special training, tuition reimbursements
  - Consequences: intent to remain, okay performance

## Key Contributors to Organizational Commitment

\*Depends on the type of commitment

- Affective Commitment increased with interesting, satisfying work, an enriching job. Biggest mistake made by organizations is to put new employees in low level jobs so they don't make serious errors.
- Continuance commitment increases over time. When people lack other options or it is possible they could gain a promotion or being well integrated into the organization.

- Normative commitment can be fostered by benefits that build a sense of obligation to the company e.g. special training or tuition reimbursements

### Consequences of Organizational Commitment

- Reduces turnover and turnover intentions
- Affective commitment positively related to performance as it focuses on goals which boosts motivation
- Continuance commitment is negatively related to performance – locking people into jobs they hate
- High levels of commitment can:
  - Create conflicts between family and work life
  - Are often associated with unethical and illegal behavior
  - High commitment to a particular style can cause a lack of innovation and lead to resistance to change

### Changes in the Workplace and Employee Commitment

- *Changes in the nature of employees' commitment to the organization:* peoples levels of commitment can fluctuate with change e.g. a change made in the organizations best interest but are detrimental to employees well being are most likely to damage affective commitment.
- *Changes in the focus of employees' commitment:* changes in the workplace may alter the focus of employee's commitments both within and outside the company e.g. a merger may cause employees to focus more on their specific department as opposed to the entire company.
- *The multiplicity of employer-employee relationships within organizations:* organizations must be able to cope and adapt to rapid change, including shrinking and expanding their workforce however they must also have a workforce that is flexible enough to get any job done. However, employees with low job security may be less willing to be flexible.

## CHAPTER 5 & 6

### Chapter 5 – Theories of Work Motivation

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

- *Effort:* the strength of the person's work-related behavior e.g. a loading-dock worker might carry heavier crates e.g. work hard to achieve highest possible sales
- *Persistence:* a steady level of work regardless of difficulty or opposition e.g. dock worker shouldn't work hard for 2 hours and slack for 6 hours/working hard the entire shift, every day to achieve the highest sales possible
- *Direction:* how the worker channels their persistent effort, is it in a way that benefits the organization e.g. focusing on sales as opposed to relationships with coworkers
- *Goals:* the end objective which the employee works toward e.g. highest monthly sales in the company

### Extrinsic and Intrinsic Motivation and Self-Determination Theory

**Intrinsic motivation:** motivation that stems from the direct relationship between the worker and the task; it is usually self-applied e.g. feeling of achievement, accomplishment, challenge and competence derived from performing one's job OR motivation to perform a behavior due to interest or enjoyment e.g. playing soccer bc you enjoy the sport

**Extrinsic motivation:** motivation that stems from the work environment external to the task; it is usually applied by others e.g. pay, company policies OR motivation to perform a behavior to obtain external rewards e.g. cutting the grass so your wife stops nagging

### Relationship Between The Two?

- Some motivators are not clearly extrinsic or clearly intrinsic e.g. EllisDon providing employees with paid time off to volunteer with charities
  - Intrinsic → people enjoy volunteer
  - Extrinsic → Paid time off
- When extrinsic rewards depend on performance, then the motivating potential of intrinsic rewards decrease.
  - A review of this study shows that:
    - The negative effect of extrinsic rewards on intrinsic motivation occurs only under very limited conditions, and are easily avoidable

- If extrinsic rewards are seen as a symbol of success and of what to do to achieve future rewards, they increase task performance

**Self-determination theory [SDT]:** a theory of motivation that considers whether people's motivation is autonomous or controlled

- **Autonomous motivation:** When people are self motivated by intrinsic factors
  - Facilitates effective performance, especially on complex tasks. Also associated with positive work attitudes and psychological well-being.
- **Controlled motivation:** When people are motivated to obtain a desired consequence or extrinsic reward.
  - Individuals feel they have no choice and have to engage in a task, so their behavior is externally regulated e.g. doing something because your boss is watching and you don't want to be punished

### Motivation and Performance

**Performance:** the extent to which an organizational member contributes to achieving the objectives of the organization

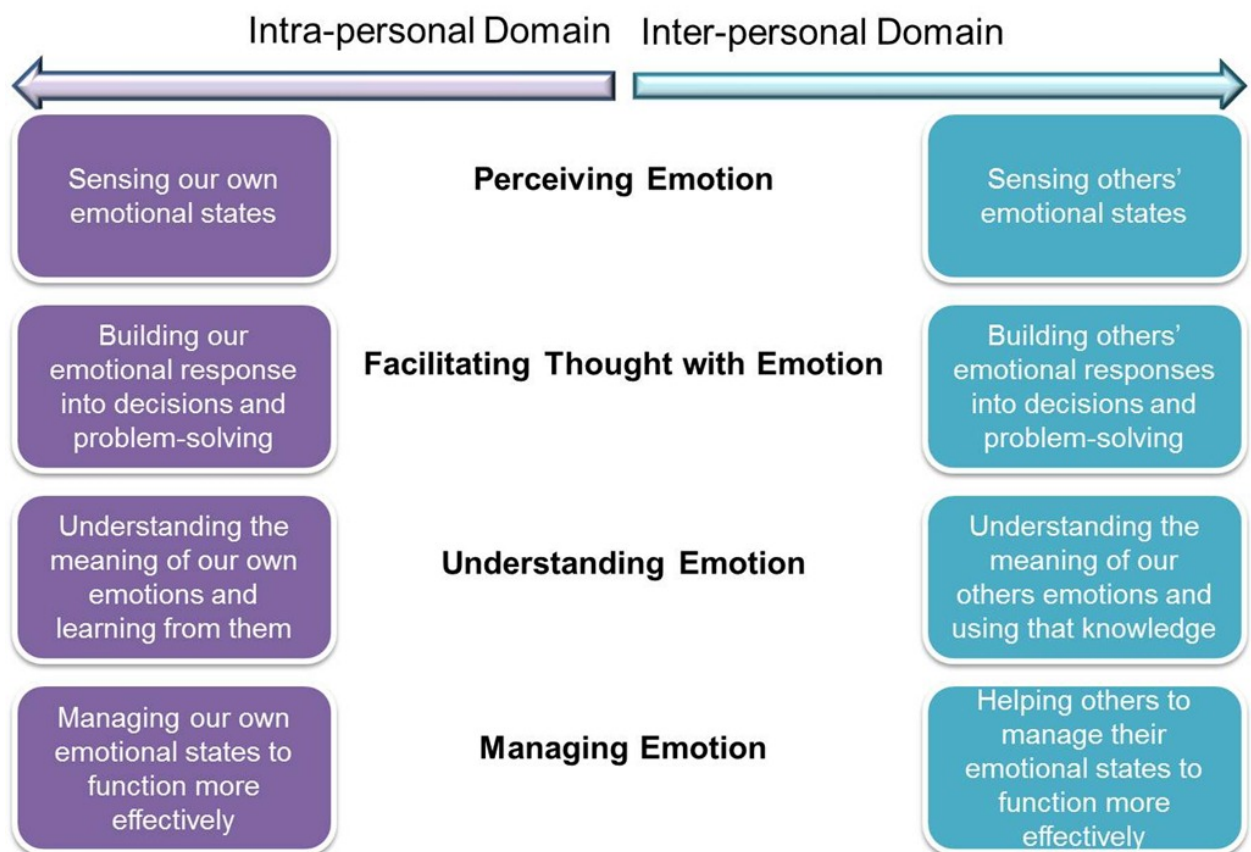
**General Cognitive Ability:** a person's basic information processing capacities and cognitive resources. More commonly known as intelligence or mental ability.

- Research shows that general cognitive ability predicts learning, training, job performance and career success in all kinds of jobs/occupations

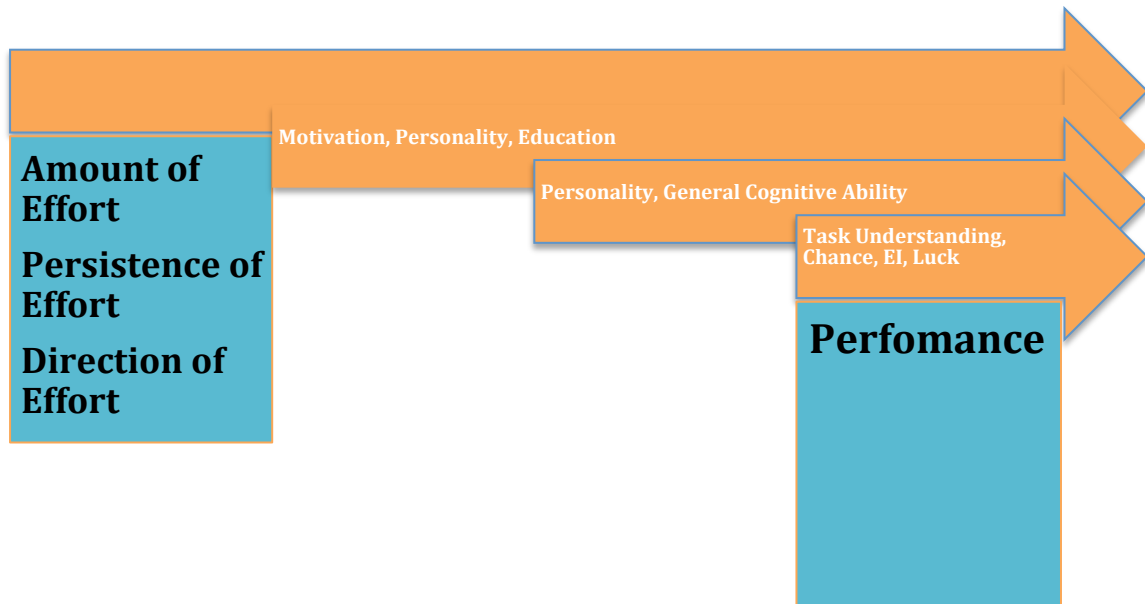
**Emotional Intelligence [EI]:** the ability to understand and manage one's own and other's feelings and emotions

- 4 step EI model developed by Salovey and Mayer
  1. *Perceiving emotions accurately in oneself and others*
    - a. Ability to accurately identify emotions in people's faces and in non-verbal behavior
  2. *Using emotions to facilitate thinking*
    - a. Use emotions in functional ways, such as making decisions and other cognitive processes. Also includes being able to shift one's emotions and generate new emotions to help someone see something differently
  3. *Understanding emotions, emotional language, and the signals conveyed by emotions*
    - a. Understand emotional info, the determinant and consequences of emotions, and how they evolve and change over time
  4. *Managing emotions so as to attain specific goals:* managing one's own and others' feelings and emotions as well as emotional relationships. Regulating, adjusting and changing

their emotions and others to suit the situation. E.g. staying calm when mad or being able to excite others or lower someone's anger



The Motivation-Performance Relationship



### Need Theories of Work Motivation

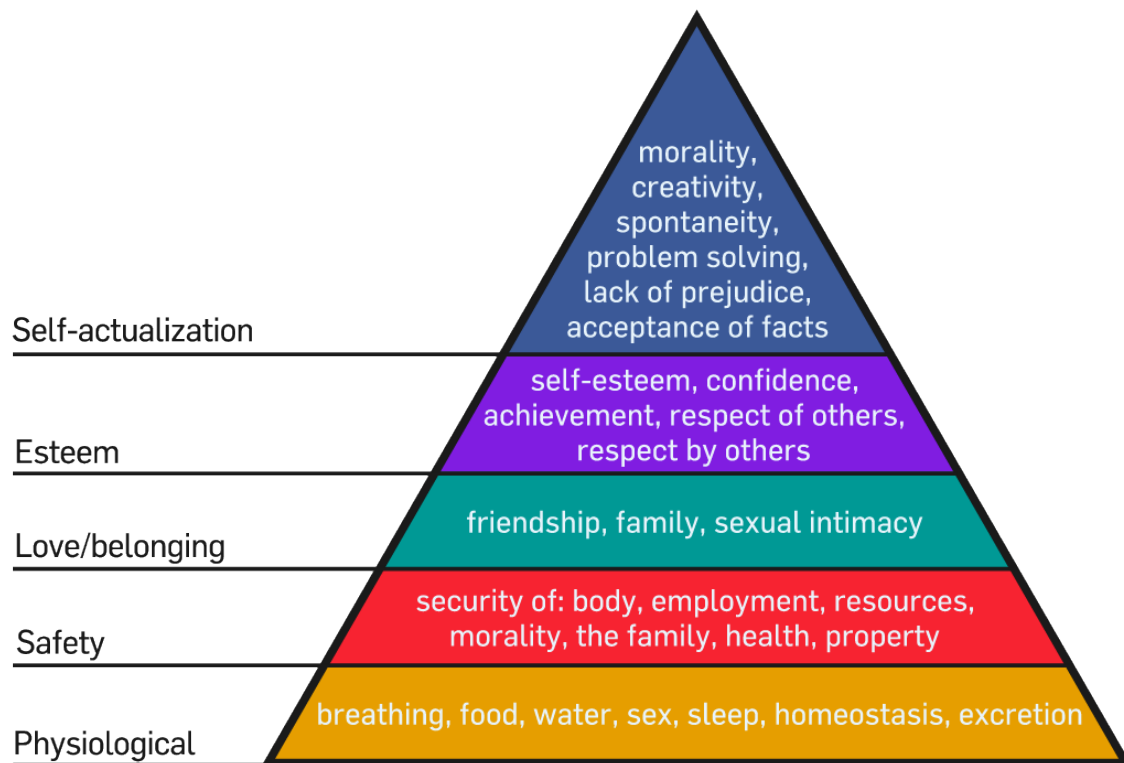
**Need theories:** motivation theories that specify the kind of needs people have and the conditions under which they will be motivated to satisfy these needs in a way that contributes to performance.

- Concerned with WHAT motivates workers, as opposed to process theories which are concerned with HOW factors motivate people

NEEDS → BEHAVIOR → INCENTIVES AND GOALS

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

- The lowest-level unsatisfied need is the “best motivator” e.g. a person must be physiologically satisfied before they feel safe.
- A satisfied need is no longer an effective motivator
- When the first level is satisfied, a person turns to the second level, then the third level etc.



**Alderfer's ERG Theory**: a three-level hierarchical need theory of motivation [existence, relatedness, growth] that allows for movement up and down the hierarchy

1. Existence needs: relate to a person's physical well-being
2. Relatedness needs: needs for satisfactory relations with others through open, accurate, honest interaction and communication and exchange of thoughts and feelings with others
3. Growth needs: the realization of potential and the achievement of competence

2 main motivational premises from ERG Theory:

1. The more lower-level needs are gratified, the more higher-level need satisfaction is desired [progression, like in Maslow's]
2. The less higher-level needs are gratified, the more lower-level need satisfaction is desired [regression is possible]

Comparison to Maslow

- Doesn't assume a lower-level need must be gratified before a less concrete need becomes operative
- If higher-level are ungratified, individuals will increase their desire for the gratification of lower-level 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

- Needs reflect relatively stable personality characteristics that one acquires through early life experiences and exposure to selected aspects of one's society
- Predicts that people will be motivated to seek out and perform well in jobs that match their needs e.g. people with high *n Ach* should be strongly motivated by sales jobs or entrepreneurial position
- **Need for achievement** [*n Ach*]: a strong desire to perform challenging tasks well
  - These people generally exhibit the following traits:
    - A preference for situations in which personal responsibility can be taken for outcomes
    - A tendency to set moderately difficult goals that provide for calculated risks
    - A desire for performance feedback
  - Often concerned with innovation and long-term goal involvement. They are done as they are intrinsically satisfying. Appears to be an example of a growth or self-actualization need
- **Need for affiliation** [*n Aff*]: a strong desire to establish and maintain friendly, compatible interpersonal relationships

- These people generally exhibit the following traits:
  - Strong social networking skills
  - Tendency to communicate frequently with others
  - Prefer to avoid conflict and competition with others
  - Exhibit strong conformity to the wishes of their friends
- An example of a belongingness or relatedness need
- Often motivated by social work and customer relations
- **Need for power** [*n* Pow]: a strong desire to influence others, making a significant impact or impression
  - These people generally exhibit the following traits:
    - Seek out social settings in which they can be influential
    - Act in a 'high-profile', attention-getting matter
    - Advocate risky positions
    - Strong concern for personal prestige
  - An example of Maslow's self-esteem need
  - Often motivated by management positions

#### Research Support for Need Theories

- Maslow's highly rigid hierarchical theory has far less support
  - Little support for the idea that satisfied needs become less important
  - Little support for the idea that needs are hierarchical and regression is not possible
- The flexibility of the ERG theory seems to capture the human need structure better than Maslow
  - Good support for the idea that frustration of relatedness needs increases the strength of existence needs (regression)
- McClelland's need theory has generated a wealth of predictions about many aspects of human motivation
  - Good support for the idea that particular needs are motivational when the work environment permits

#### Managerial Implications of Need Theories

- *Appreciate Diversity*: managers must be adept at evaluating the needs of individual employees and offering incentives and goals that correspond to their needs as the needs of a college graduate are likely to be different than the needs of a 40 year old worker
- *Appreciate Intrinsic Motivation*: the existence of higher order needs, as the expression of creative and innovative behavior helps to improve organizational survival. Also, Alderfer's idea that the frustration of higher-order needs prompts demands for greater satisfaction of lower-order needs shows there is possibilities of a vicious motivational cycle. E.g. management often relies on pay and fringe benefits but some employees deprived of higher-order need gratification come to expect more and more of these extrinsic factors in exchange for their services.

### Process Theories of Work Motivation

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

**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; developed by Vroom.

States that:

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

### Components of Expectancy Theory

- **Outcomes:** consequences that follow work behavior, broken up into first and second level outcomes
  - First-level outcomes are of interest to the organization [performance]; it is the job-associated behavior of an individual which is determined by his preference for a particular goal among several goals known as second-level outcomes
  - Example of first level outcomes: turnover, absenteeism, knowing your boss better, and productivity. People choose the first level outcome that they think will get them the second level outcome
  - Second level outcomes are outcomes of interest to the worker
  - Example of second level outcomes: increase in salary, peer acceptance, fatigue, sense of accomplishment
- **Instrumentality:** the probability that a particular first-level outcome will be followed by a particular second-level outcome, it is a link between performance and outcome e.g. “the odds are decent that my good quality paper will get an A+”
- **Valence:** the expected value of work outcomes; the extent to which they are attractive or unattractive e.g. “an A+ on my paper is very attractive to me”  
$$\text{Valence of a first level outcome} = \sum \text{instrumentalities} * \text{second level valences}$$
- **Expectancy:** the probability that a particular first level outcome can be achieved, it is a link between effort and performance e.g. “I am fairly confident I can put in sufficient effort to produce a good quality paper”
- **Force:** the degree of effort directed toward a first level outcome  
$$\text{Force} = \text{expectancy} \times [\sum \text{instrumentalities} * \text{second level valences}]$$

\*why take the sum? Because there are often many particular outcomes that might come given certain performances and effort that you need to consider

### Research Support for Expectancy Theory

- Moderately favorable support for expectancy theory
- Good evidence that the valence of first level outcomes depends on the extent to which they lead to desirable second level outcomes
- However, the theory is difficult to test due to its complexity

### Managerial Implications of Expectancy Theory

- *Boost expectancies*: managers should ensure their employees expect to be able to achieve first level outcomes that are of interest to the organization. They can do this in many ways including ensuring employees have the right tools and equipment to perform their job
- *Clarify Reward Contingencies*: managers should attempt to ensure the path between first and second level outcomes are clear e.g. managers with a policy of recommending good performers for promotions should communicate this policy [boosting instrumentality]
- *Appreciate Diverse Needs*: designing individualized 'motivational packages' to meet the many diverse and complex needs of all employees.

**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.

- Individuals are motivated to maintain an equitable exchange relationship
- Psychologist Stacey Adams suggest that in order to maintain equity one should:
  - Perceptually distort one's own inputs or outcomes
  - Perceptually distort the inputs/outcomes of the comparison person or group
  - Choose another comparison person or group
  - Alter one's inputs or alter one's outcomes
  - Leave the exchange relationship
- *Gender and Equity*
  - People have the tendency to choose same-sex comparison persons
  - This may indicate why men are paid more than women as if women restrict their equity comparisons to lesser paid women they are less likely to be motivated to correct what we see as wage inequities

### Research Support for Equity Theory

- Restricted to economic outcomes and concentrates on the alteration of inputs and outcomes as a means of reducing inequity
- Strong evidence of equity theory and people's reactions to underpayment – employees produce less work [hourly system] or lower quality of work [piece-rate system]
- The theory's predictions regarding overpayment are less supported

### Managerial Implications of Equity Theory

- Perceived underpayment will have a variety of negative motivational consequences for the organization including low productivity, quality, theft or turnover
- But, using overpayment as a motivator (disguised bribery) might not have the intended effect either
- SO: organizations should strike an equitable balance
  - HOW?
    - Be aware of what inputs/outputs employees are choosing

**Goal Setting Theory**: a process theory that states that goals are motivational when they are *specific, challenging*, when organizational members are *committed* to them, and when *feedback* about progress toward goal attainment is provided

- *Goal Specificity*: specify an exact level of achievement for people to accomplish within a given time frame
- *Goal Challenge*: Goal challenge depends on the person's experience and basic skills. When goals become so hard they're impossible to achieve they lose their potential to motivate.
- *Goal Commitment*: individuals must accept them and be committed to working toward them in order for them to act as a motivator.
- *Goal Feedback*: provide ongoing feedback that enables the person to compare current performance with the goal. Should be accurate, specific, credible and timely
  
- **Goal**: the object or aim of an action
- The positive effects of goals are due to four mechanisms:
  - They direct attention toward goal relevant activities
  - They lead to greater effort
  - They increase and prolong persistence
  - They lead to discovery and use of task-relevant strategies for goal attainment

### Enhancing Goal Commitment

- *Participation*: can improve performance by increasing the difficulty of the goals that employees adopt as participation induces competition among members causing them to exceed expected goals of the supervisor

- If goal commitment is a potential problem, participation might prove beneficial. When a climate of distrust between superiors and employees exist or when participation provides info that assists in the establishment of fair, realistic goals then it will help!
- If the employees trust their boss and the boss has a good understanding of the capability of the employees, participation might be quite unnecessary
- *Rewards*
  - Extrinsic rewards like money may be suitable in some circumstances
  - BUT, goal settings normally leads to performance increases without monetary incentives
  - WHY? Because goals often involve no more than doing the job as it was designed to be done in the first place, instead it just involves more attention to detail
- *Supportiveness*
  - When supervisors behave in a tough manner [threats, punishments] to encourage goal accomplishment, they can damage employee goal commitment
  - Supervisors should demonstrate a desire to assist employees in goal accomplishment and behave supportively if failure occurs, even adjusting the goal downward if necessary.

#### Goal Orientation and Proximity

- **Goal Orientation:** an individual's goal preferences in achievement situations
- **Learning goal orientation:** a preference to learn new things and develop competence in an activity by acquiring new skills and mastering new situations
  - Positively related to learning and performance
- **Performance goal orientation:** focus on outcomes of performance
  - **Performance-prove goal orientation:** a preference to obtain favorable judgments about the outcome of one's performance
    - not related to learning and performance
  - **Performance-avoid goal orientation:** a preference to avoid negative judgments about the outcome of one's performance
    - Negatively related to learning and performance
- **Distal goal:** long term or end goal e.g. becoming the top salesperson in the company
  - Too far to be used to track progress
- **Proximal goal:** short-term or sub-goal e.g. meeting your weekly goal of number of customers to visit

#### Research Support for Goal Setting Theory

- Considered one of the most valid and practical theories of employee motivation
- Specific, difficult goals lead to improved performance and productivity
- Group goal setting results in superior group performance
- Goal settings positive effects are persistent over a long enough time to have practical value
- A lack of knowledge or skills in a “do your best” situation leads to decreased performance and vice versa
- Proximal goals are best for novel and complex tasks
- When distal goals are accompanied with proximal goals they have a significant positive effect on the discovery and use of task-relevant strategies, self-efficacy, and performance

#### Managerial Implications of Goal Setting Theory

- Set specific and challenging goals and provide ongoing feedback so that individuals can compare their performance with the goal

#### Do Motivation Theories Translate Across Cultures?

- Goal Setting Theory & Expectancy theory is flexible therefore it is very effective across cultures
- Maslow’s and ERG Theory differ cross culturally as people’s importance on higher-level personal growth and/or self-actualization stage depend

#### Integrating Theories of Work Motivation

### **Chapter 6 – Motivation in Practice**

#### 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 e.g. \$8 per hr + 30c for each garment you sew

- Typical for production jobs

### Potential Problems with Wage Incentives

- Lowered Quality
  - Wage incentives can increase productivity at the expense of quality
  - Systems to monitor and maintain quality should be used
- Differential Opportunity
  - Threat to establishing wage incentives exists when workers have different opportunities to produce at a high level
- Reduced Cooperation
  - If wage incentives reward individual productivity, group cooperation among workers may decrease
- Incompatible Job Design
  - In some cases it is impossible to identify and reward individual contributions to productivity e.g. on an assembly line
  - As the size of a team increases, the relationship between any individual's productivity and his/her pay decreases
- Restriction of Productivity
  - The artificial limitation of work output that can occur under wage incentive plans
  - Without wage incentives, productivity is usually distributed in a bell shaped manner – a few workers are especially low producers and a few especially high, but most produce in the middle range.
  - With wage incentives, workers sometimes come to an informal agreement about what constitutes a fair day's work and artificially limit their output accordingly

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

- **White collar worker:** a person who performs professional, managerial, or administrative work. Typically, white collar work is performed in an office or cubicle
  - Offer fewer objective performance criteria to which pay can be tied
  - Trustworthy objective indicators of individual performance for the majority of these jobs are hard to find
  - So, performance is usually evaluated by the subjective judgment of the performer's manager
  - **Merit pay plans:** systems that attempt to link pay to performance on white-collar jobs

- Usually, managers are required to evaluate the performance of employees on some form of rating scale or by means of a written description of performance. Using the evaluations, managers then recommend that some amount of merit pay be awarded to individuals over and above their basic salaries
- These workers strongly support the notion that performance should be an important determinant of pay
- New evidence, shows these systems are becoming ineffective

### Potential Problems with Merit Pay Plans

- Low Discrimination
  - Managers may be unable or unwilling to discriminate between good performers and poor performers
- Small Increases
  - Merit increases may be too small to be effective motivators
  - Most firms remove merit pay when it is most needed i.e. recessions/economic hardships
  - To overcome this visibility problem some firms have replaced conventional merit pay with **lump sum bonus**: merit pay that is awarded in a single payment and not built into the base pay
- Pay Secrecy
  - HR principles state that salaries are confidential info, so when workers receive merit pay they are meant to keep it a secret. Workers then have no way of comparing their own merit treatment with those of others. This might severely damage the motivational impact of a well-designed merit plan.
  - Studies show that managers have a tendency to overestimate the pay of their employees and peers and underestimate the pay of their superiors. This damages the link between performance and rewards.

### Using Pay to Motivate Teamwork

- People have their own agendas and receive pay merits on the way, but their long term goal is not in the best interest of the organization
- **Profit Sharing**: the return of some company profit to employees in the form of a cash bonus or a retirement supplement
  - May not be motivational because:
    - There are too many factors beyond the control of the workforce that affect the company's profit
    - In a large firm it is hard to see the impact of one's own actions on profits, therefore it seems to work best in smaller firms that regularly turn a good profit

- **Employee Stock Ownership Plans [ESOPS]:** incentive plans that allow employees to own a set of a company's shares and provide employees with a stake in the company's future earnings and success.
  - Create a sense of ownership
  - Attract and retain talent
  - Motivate and focus employees, aligning their goals with those of the organization
  - Educate employees about the business
  - Conserving cash by substituting options for cash
  - Works best in small organizations
- **Gainsharing:** a group pay incentive plan based on productivity or performance improvements over which the workforce has some control.
  - When measured costs decrease the company pays a monthly bonus according to a predetermined formula that shares this gain between employees and the firm
  - Most plans include all members of the work unit
  - E.g. Scanlon Plan – stresses participatory management and joint problem solving between employees and managers, but uses the pay system to reward employees for this cooperation
- **Skill-Based Pay:** a system in which people are paid according to the number of job skills they have acquired
  - meant to motivate employees to learn a wide variety of work tasks, irrespective of their current job -> encourages employee flexibility
  - Especially useful on self-managed teams in which employees divide up the work as they see fit and where rapid changes in job demands can occur
  - Training costs can be high
  - Labour costs can increase as employees acquire more skills

PAY PLAN	DESCRIPTION	ADVANTAGES	DISADVANTAGES
Profit sharing	Employees receive a cash bonus based on organization profits	-Employees have a sense of ownership -Aligns employee goals with organization goals -Only pays when the organization makes a profit	-Many factors beyond the control of employees can affect profits -It is difficult for employees to see the impact of their actions on organization profits
Employee stock ownership	Employees can own a set amount of the organization's shares	-Creates a sense of legal and psychological ownership for employees	-Many factors can influence the value of an organization's shares, regardless of employees'

		-Aligns employees' goals and interests with those of the organization	effort and performance -It is difficult for employees to see the connection between their efforts and the value of their organization's stocks -They lose their motivational potential in a weak economy and when the value of the company's stock decline
Gainsharing	When measured costs decrease, employees receive a bonus based on a predetermined formula	-Aligns organization and employee goals -Encourages teamwork and cooperative behavior	-Bonuses might be paid even when the organization doesn't make a profit -Employees might neglect objectives that are not included in the formula
Skill-based pay	Employees are paid according to the number of job skills they acquire	-Encourages employees to learn new skills -Greater flexibility in task assignment -Provides employees with a broader picture of the work process	-Increases the cost of training -Labour costs can increase as employees acquire more skills

### Job Design as a Motivator

**Job Design:** the structure, content, and configuration of a person's work tasks and roles

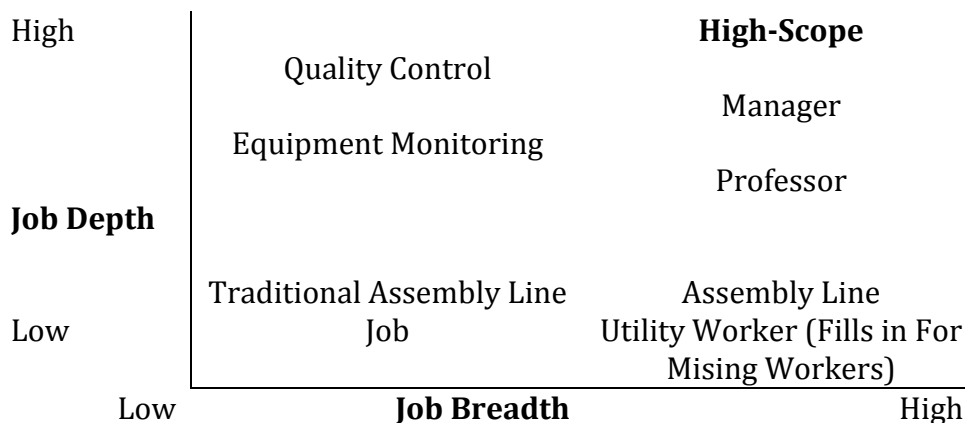
- Main goal: identify the characteristics that make some tasks more motivating than others and to capture these characteristics in the design of jobs.

### Traditional Views of Job Design

- Industrial Revolution → 1960's: job simplification
  - Increasing urbanization and the growth of a free market economy. With complex machinery and an uneducated, untrained workforce, specialization was the key to efficient productivity
  - Motivational strategies: close supervision and piece-rate pay

## Job Scope and Motivation

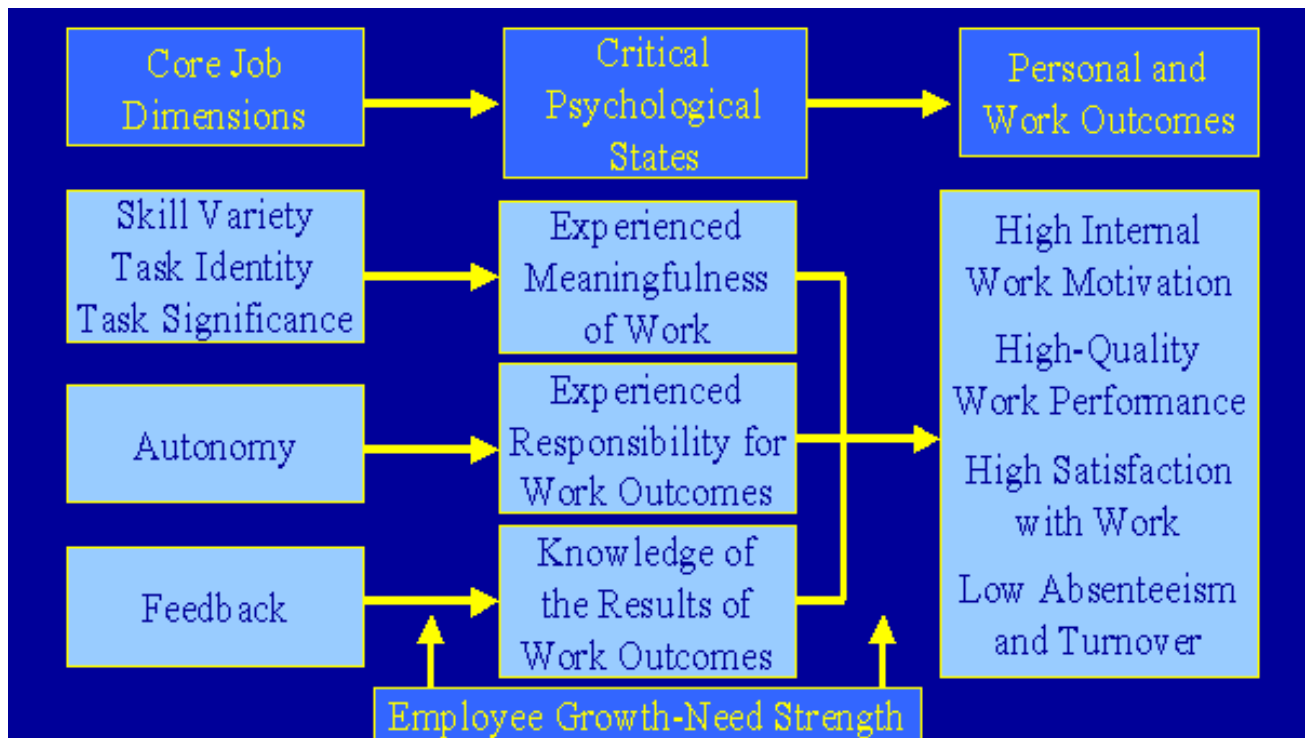
- **Job scope:** the breadth and depth of a job
  - Can be increased by:
    - Assigning employees stretch assignments that offer employees challenging opportunities to broaden their skills by working on a variety of tasks with new responsibilities
    - Job Rotation: rotating employees to different tasks and jobs in an organization. This provides employees with a variety of challenging assignments, and helps them develop new skills and expertise to prepare employees for future roles.
  - **Breadth:** the number of different activities performed on a job
  - **Depth:** the degree of discretion or control a worker has over how work tasks are performed



- High scope jobs (*both* broad and deep) should provide more intrinsic motivation than low-scope jobs
- Maslow's need hierarchy & ERG theory indicate that people can fulfill higher order needs by the opportunity to perform high scope jobs
- Expectancy theory suggest that high-scope jobs can provide intrinsic motivation if the outcomes derived from such jobs are attractive

## The Job Characteristics Model [Hackman & Oldman]

- There are several "core" job characteristics that have a certain psychological impact on workers that in turn lead to certain outcomes that are relevant to the worker and the organization. Finally, several other factors [moderators] influence the extent to which these relationships hold true.



**Skill Variety:** the opportunity to do a variety of job activities using various skills and talents (job breadth)

**Task Identity:** the extent to which a job involves doing a complete piece of work, from beginning to end.

**Task Significance:** the impact that a job has on other people

**Autonomy:** the freedom to schedule one's own work activities and decide work procedures (job depth)

**Feedback:** information about the effectiveness of one's work performance

**Job Diagnostic Survey [JDS]:** a questionnaire developed by Hackman and Oldman to measure the core characteristics of jobs. Reports are then built to construct profiles to compare the motivational properties of various jobs

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

\*MPS = Motivating potential score

### Critical Psychological States

- Why are jobs that are higher on the core characteristics more intrinsically motivating?
  - Work will be intrinsically motivating when it is perceived as meaningful, when the worker feels responsible for the outcomes of

the work, and when the worker has knowledge about his or her work progress

- Core job characteristics affect meaningfulness, responsibility, and knowledge of results in a systematic manner

#### 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
- The relationship between the work and the worker is emphasized, and the worker is able to draw motivation from the job itself -> high-quality productivity, reduced absenteeism and turnover

#### Moderators

- Include:
  - Job-relevant knowledge and skill of the worker
  - **Growth need strength:** the extent to which people desire to achieve higher-order need satisfaction by performing their jobs
    - Those with high growth needs should be most responsive to challenging work
    - Workers dissatisfied with the context factors surrounding the job e.g. pay, supervision, company policy will be less responsive to challenging work than those who are reasonably satisfied

#### Research Evidence

- Some discrepancy regarding the relative importance of the various core characteristics, however overall the basic prediction of the model is very supported
- All 5 core job characteristics are positively related to the outcomes of the model as well as other outcomes including supervision satisfaction, co-worker satisfaction, organizational commitment etc.
- Strong support for critical psychological states

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

- *Combining tasks:* assigning tasks that might be performed by different workers to a single individual. This will increase the variety of skills

- employed and might contribute to task identity as each worker approaches doing a unified job from start to finish
- *Establishing external client relationships*: putting employees in touch with people outside the organization who depend on their products or services. E.g. giving assembly line workers letters from customers that enjoy and/or have problems with the product. This should help utilize interpersonal skills, increase the identity and significance of the job, and increase feedback about one's performance.
  - *Establishing internal client relationships*: putting employees in touch with people who depend on their products or services within the organization.
  - *Reducing supervision or reliance on others*: increase autonomy and control over one's own work.
  - *Forming work teams*: an alternative to a sequence of 'small' jobs that individual workers perform when a product or service is too large or complex for one person to complete alone
  - *Making feedback more direct*: permit workers to be identified with their 'own' product or service e.g. in Sweden workers who build trucks by team assembly are responsible for service and warranty work on "their" trucks sold locally

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

- Employees with challenging and enriched jobs tend to have higher levels of job involvement
- Employees with higher job involvement have higher job satisfaction and organizational commitment and are less likely to consider leaving their organization

#### Potential Problems with Job Enrichment

- *Poor diagnosis*
  - **Job enlargement**: increasing job breadth by giving employees more tasks at the same level to perform but leaving other core characteristics unchanged.
  - **Job engorgement**: enriching jobs that are already perceived as too rich by their executives -> can lead to role overload and work stress
- *Lack of Desire or Skill*

- Enrichment places greater demands on workers, and some might not relish this extra responsibility
- For poorly educated or trained workforces, enrichment might entail substantial training costs and some skills may be hard to teach e.g. social skills
- *Demand for Rewards*
  - Sometimes workers who experience job enrichment ask that greater extrinsic rewards accompany their redesigned jobs
- *Union Resistance*
  - Many unions believe that management should provide easily quantified extrinsic motivators like money rather than soft stuff like job design
  - Unions support the narrow division of labour in order to preserve jobs for their members
- *Supervisory Resistance*
  - May have unanticipated impacts on other jobs or other parts of the organizational system
  - Supervisors of workers jobs who have been enriched (increased autonomy) may dis-enrich the supervisor's job

### New Developments in Job Design

- **Work design characteristics:** attributes of the task, job, and social and organizational environment
  - Motivational characteristics
    - Task characteristics: similar to the core job characteristics of the Job Characteristics Model [autonomy, task variety, task significance, task identity and feedback]
    - Knowledge characteristics: the kinds of knowledge, skills, and ability demands required to perform a job
  - Social characteristics: interpersonal and social aspects of work and include social support, interdependence, interaction outside the organization and feedback from others
  - Work context characteristics: the context within which work is performed including the physical and environmental contexts. It includes ergonomics, physical demands, work conditions and equipment use.

### Relational Job Design

- Employees are often motivated to make difference in others' lives but are often disconnected from those who benefit from their work
- Adam Grant developed a model to explain how jobs can be designed to motivate employees in others' lives
  - **Prosocial motivation:** the desire to expend effort to benefit other people
  - **Relational architecture of jobs:** the structural properties of work that shape employees' opportunities to connect and interact with other people
  - HOW CAN WE DESIGN JOBS SO EMPLOYEES SEE THE IMPACT OF THEIR ACTIONS ON OTHERS?

### Management by Objectives

**Management by Objectives [MBO]:** an elaborate, systematic, ongoing program designed to facilitate goal establishment, goal accomplishment, and employee development. Developed by Peter Drucker.

1. Manager meets with individual workers to develop and agree on employee objectives for coming months, involving both current job performance and personal development that may prepare the worker to perform other tasks or seek promotion. Time frames are specified, and objectives are prioritized based on importance.
2. Periodic meetings to monitor employee progress in achieving objectives. Objectives can be modified if problems are encountered or new needs arise.
3. An appraisal meeting is held to evaluate the extent to which the agreed upon objectives have been achieved. Special emphasis placed on the reasons for success or failure to serve as a learning experience for both parties
4. MBO cycle is repeated

### Research Evidence

- MBO results in clear productivity gains
- MBO is elaborate, difficult, time consuming and its implementation must have full commitment by top management for it to work

- MBO can just be a bunch of paper work
- May lead to an overemphasis on measurable objectives at the expense of more qualitative objectives

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

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

- Management requires employees to report for work on each working day and work a given number of hours
- When they come is flexible as long as they are present during 'core hours'
- Useful for a diverse workforce e.g. people with child care and transport situations
- Should reduce absenteeism, since employees can handle personal matters during conventional business hours
- Not likely where jobs are highly interdependent e.g. assembly lines or hospital workers

#### Research Evidence

- Employees who work under flex-time almost always prefer the system to fixed hour
- Work attitudes are generally more positive and there is minimal abuse of the arrangement
- Absenteeism and tardiness often show decreases
- Slight productivity gains are often reported, probably due to better use of scarce resources

**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 e.g. 4-40 system, where employees work four 10 hour days each week.

- Reduce absenteeism, commuting costs and time by 20%
- Provides an extra day a week for leisure or family pursuits
- Possibility of reduced customer service and fatigue of workers

#### Research Evidence

- Employees seem to like it [increased job satisfaction] – may be short lived
- Better off for family life than for worklife
- Increased fatigue for workers

### Job and Work Sharing

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

**Work Sharing:** reducing the number of hours employees work to avoid layoffs when there is a reduction in normal business activity

#### Research Evidence

- No hard research on this field
- However anecdotal reports suggest that:
  - Job sharers must make a concerted effort to communicate well with each other, co workers, clients and superiors
  - Job sharing can result in coordination problems if communication is not adequate
  - Performance appraisal may be difficult if 2 people share 1 job

**Telecommuting:** a system by which employees are able to work at home but stay in touch with their offices through the use of communications technology, such as a computer network, voice mail, and electronic messages

- Greater flexibility for employees
- Distant staffing and opportunities for global workers/interactions

#### Research Evidence

- Lower costs for organizations as a result of a reduction in turnover and need for office space and equipment
- Improve work-life balance and improve productivity for employees
- Small but positive effects on autonomy and lower work family conflict
- Positive effect on job satisfaction and performance and lower stress and turnover intentions
- Damage to informal communications, decreased visibility when promotions are considered, problems handling rush projects, and workload spillover for non-telecommuters
- Concerns about trust and control and worries about productivity and issues with employee trust

#### Motivation Practices in Perspective

- choice of motivational practices require a thorough diagnosis of the organization needs and desires of employees
- most effective approach includes a combo of factors and methods and motivators