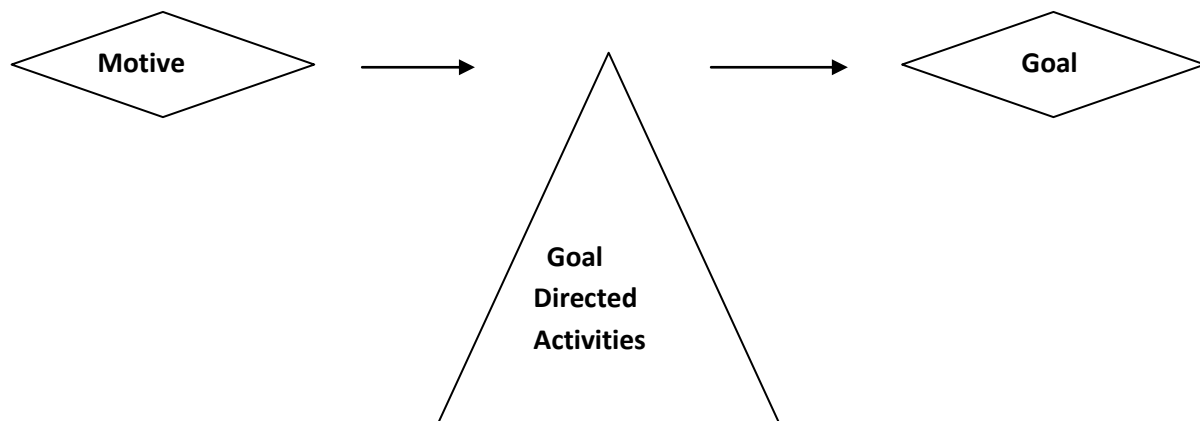


Chapter 8

Motivation

Motivation is one of the important functions of management. It is essential to increase overall efficiency of human beings to improve performance of an organization. While machines, processes, technology of high order can be made available to the individuals, but high productivity can only be achieved if workers are highly skilled and adequately motivated. Motivation perhaps is one of the most important factors of the management that concerns each and every executive.

"Motivation" is a Latin word, meaning "to move". Human motives are internalized goals within individuals. Motivation may be defined as those forces that cause people to behave in certain ways. Most successful managers have learned to understand the concept of human motivation and are able to use that understanding to achieve higher standards of subordinate work performance. Motivation is inspiring the subordinates to contribute with zeal and enthusiasm towards organizational goal.



A manager gets work done through others. Getting the work done depends mainly on whether a person has been motivated to do it. Motivating an employee is to create a need and a desire on the part of employee to better his performance. This can be done by creating in him a sense of responsibility and feeling of special interest in his work. Motivation concerns itself with 'will to work'. It is a behavioral concept by which a manager tries to understand why people behave as they do. Some important definitions of motivation given by some behavioral scientists are as follows:

Richard Steers - "Motivation energizes, directs, and sustains human behavior, a force that causes people to behave in certain ways and that is goal directed."

David A. Decenzo and S. P. Robbins - "Motivation is an individual willingness to exert effort to achieve the organization's goals, conditioned by this effort's ability to satisfy individual needs."

Robert Dubbin - "Motivation is the complex of forces starting and keeping a person at work in an organization."

Thus, motivation is the process of channeling, employees inner drives so that they want to accomplish the goals the organization. It is concerned with the willingness to work. It seeks to know the incentives for work and tries to find out the ways and means whereby their realization can be helped and encouraged.

Nature and Characteristics of Motivation

1. **Continuous Process:** Motivation is a continuous process. Since need is a continuous phenomenon if one need is satisfied the other need emerges and so does individual drives to work and thus the continuous chain is created. Motivation, therefore, is not a time-bound process. In the work place, employees need to be motivated as long as they are in employment.
2. **Psychological Aspect:** Motivation is a psychological phenomenon. It is the inner desire of an individual to accomplish something more. It forces him to undertake certain amount of work. More is the individual motivated better the performance and organization relations.
3. **Whole Person:** Motivation is concerned with individual. The total individual is motivated, not the parts of individual. It means that a person cannot be motivated in installments. An employee will not motivate if some of his needs are partly satisfied. For example if an employee awaits a transfer to his native place and is also due to get his promotion, he will not feel motivated if only one of the benefits is sanctioned. It is, therefore, the duty of the employer to grant a benefit to his employees fully as and when it is due.
4. **Complex and Unpredictable:** Motivation is complex. It is difficult to explain and predict the behavior of employees because it is not observable phenomenon.
5. **Goal-oriented:** Goal is anything which will alleviate or lighten a need and reduce a drive. Motivation is goal-oriented. It leads to action of employees. It involves efforts to achieve certain goals.
6. **Behavior:** Motivation directly influences the behavior of employees towards the attainment of organizational goals. Feeling of needs creates tension in the mind and transforms itself into want as per the environment. It facilitates to show the particular behavior to the employees.
7. **Related to Human Beings:** Motivation is related to human beings. Only human beings or human resources can be motivated to work. Employee's basic needs are determined and cannot be separated from each other. The employee is motivated by arousing his need.

Importance of Motivation

A manager's primary task is to motivate others to perform the tasks of the organization. Therefore, the manager must find the keys to get employees to come to work regularly and on time to work hard and to make positive contributions towards the effective and efficient achievement of organizational objectives. Motivation is an effective instrument in the hands of a manager for inspiring the workforce and creating confidence in it. By motivating the workforce, management creates will to work which is necessary for the achievement of organizational goals. The various important or benefits of motivation area as follows:

- 1. Healthy Industrial Relation:** Motivation contributes to good industrial relations in the organization. When the employees are motivated, contented and disciplined, the frictions between the employees and the management will be reduced.
- 2. Productivity Improvement:** Motivation facilitates the maximum utilization of all factors of production, human, physical and financial resources thereby contribute to productivity improvement. The productivity and motivation are directly related. So, motivation helps to increase the production and the productivity.
- 3. Willingness for Work:** For performing any tasks, two things are necessary. They are: (a) ability to work and (b) willingness to work. Without willingness to work, ability to work is of no use. The willingness to work can be created only by motivation.
- 4. Determinant of Job Performance:** Performance of an employee depends on two factors, ability to work and willingness to work. Mathematically:
Performance = Ability X willingness

Thus, motivation is one of the main determinants of job performance. It enhances the willingness to work that improves the employee job performance

- 5. Readiness for the Change** Motivation is the best remedy for resistance to changes. When changes are introduced in an organization, generally, there will

be resistance from the employees. But if the employees of an organization are motivated, they will accept, introduce and implement the changes whole heartily and help to keep the organization on the right track of progress.

6. Utilization of Factors of Production: Motivation facilitates the maximum utilization of all factors of production, human, physical and financial resources and thereby contributes to higher production.

7. Environment of Co-operation When an organization has properly motivated staffs, there will be better inter-personal relationships. The superiors trust their subordinates and vice versa. There is also greater co-operation among the employees.

8. Organizational Effectiveness: Motivated employees work sincerely and contribute maximum effort for the success of the organization that promotes to organizational effectiveness.

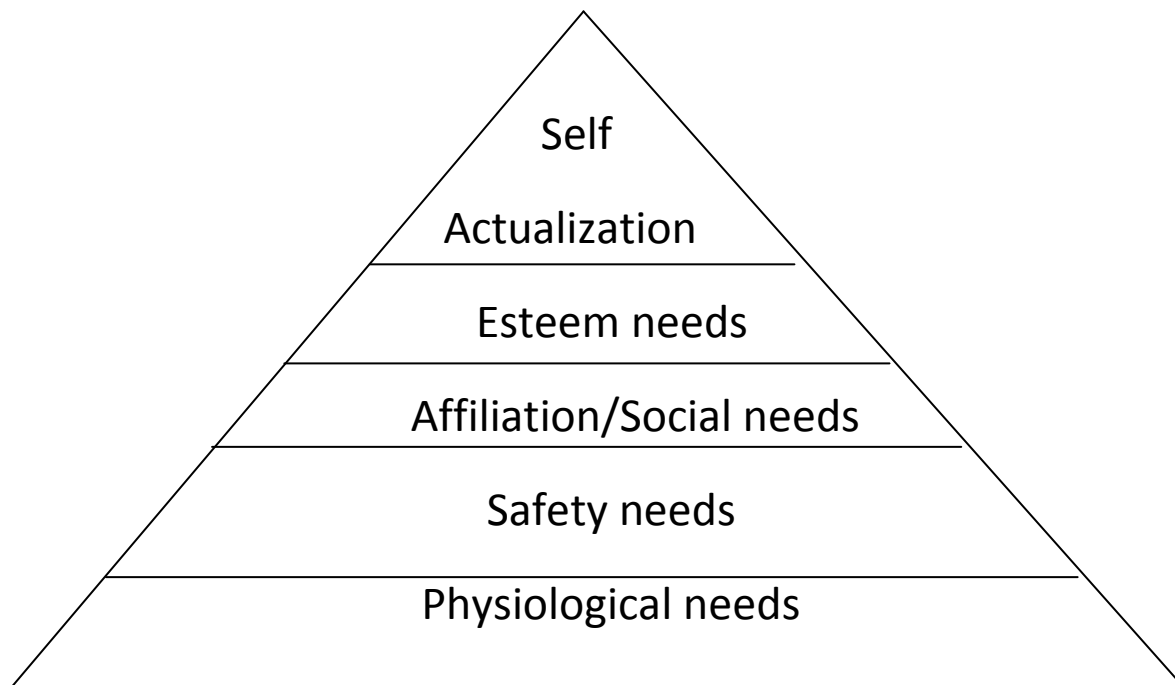
THEORIES OF MOTIVATION

(A) Need hierarchy theory

(B) Motivation–hygiene theory

(A) **Need hierarchy theory:** Abraham Maslow, a human psychologist develop a theory of human needs in 1943. This theory accurately describes many realities of personal experiences of employees and suggest that people are motivated to fulfill basic needs before moving on to other, more advanced needs. His theory is based on the following assumption.

- Human needs and motives are complex
- Needs form a hierarchy
- Unsatisfied needs motivate workers
- People seek growth and development



1. **Physiological Needs:** These are the primary or the basic needs of a person that must be fulfilled. These include, among others, food, clothing and shelter that are vital for the survival of mankind. A person cannot think of recognition or status when he is not able

to earn adequately to satisfy his basic needs. Salary, wages, other benefits and work environment satisfy physiological needs of employees in organizations

2. **Safety Needs** The safety or security needs emerge once the basic or physiological needs of a person are fulfilled. Job security is one such need. People, generally, prefer secured jobs. Similarly every employee wants to contribute to provident fund insurance and such other schemes that protect his interest particularly in his old age when he cannot work and earn. Safety need is related to the following
 - Every worker is concerned about his personal safety and wants to be free of physical danger.
 - There are various dangerous processes in the work setting. Individual desires to be free and work toward self-preservation.
 - Safety need is also related to employee/employer relationship, which should be cordial and free from any threat to job security.

Administration policy of any organization must cover various points that are related to safety of an individual like pay, pension, insurance, and gratuity. Individual should be given opportunities for choice of job so that he derives satisfaction. He must also give adequate security against being fired, laid off or demotion.

3. **Social Needs:** At this stage, a person wants friendship, companionship, association, love and affection of particularly those with whom he joins often. In the work place he may long for the association of the fellow-employees. In fact, it is for this reason that informal groups are formed within a formal organization. In the living place he may desire to have the friendship of his neighbours. These days people live in flats and it is common to find an association in every apartment. These associations are formed by the owners to look after common amenities (facilities) and for the sake of peaceful co-existence.
4. **Esteem Needs:** These needs arise in view of a person's desire to have his ego satisfied. The satisfaction of these needs gives a person the feeling that he is above others. It gives a self-respect, self-confidence, independence, status, recognition and reputation. Some people show preference for luxury cars, expensive jewels and so on not just because they can afford it but also due to the fact that possession of such goods satisfies their ego.
5. **Self-actualization Needs:** According to Maslow, A person who reaches this stage want, to achieve all that one is capable of achieving. In other words, a person wants to perform to his potentials. For example A singer may compose music and so on. The desire to excel need not necessarily is in the field one is attached to. It can be in some other sphere (area) also. For example, an actor or actress may excel (outstand) in politics. When people are self-actualized they perform at their, maximum level of

creativity and become extremely valuable assets to their organizations. For this reason, companies are interested in concrete the way for their employees to self-actualize by meeting their lower-order needs.

According to Maslow, people attempt to satisfy their physical need first. As long as the needs are unsatisfied, they dominate behavior. As they become reasonably satisfied, they lose their motivational power and the next level i.e., security needs becomes the dominant motivational force. This process continues up the need hierarchy.

Criticisms of Maslow's Needs Hierarchy Theory

Maslow's Needs Hierarchy Theory has made a significant contribution in the field of management, but it is not free from the criticisms. The main criticisms are as follows:

- 1. Question in data validity:** Research method is extremely subjective as it is based entirely on the opinion of the researcher. Personal opinion is always prone to bias, which reduces the validity of any data obtained.
- 2. Wrong population validity:** Maslow's, analysis focused on a biased sample of self-actualized individuals, prominently limited to highly educate white persons. It is difficult to generalize his theory to individuals from lower social classes or different ethnicity. Thus, questioning the population validity of Maslow, findings.
- 3. Incorrect assumption:** Maslow's has assumed that the lower needs must be satisfied before a person can achieve their potential and self-actualization needs. This not always the case, and therefore Maslow's hierarchy of needs in some aspect has been incorrect. Many creative people, such as authors and artists lived in poverty throughout their lifetime, yet it could be argued that they achieved self-actualization.
- 4. More generalization:** Maslow's hierarchy of needs fails to illustrate and expand upon the difference between the social and intellectual needs of those raised in individualistic societies and those raised in collectivist societies. In spite of these criticisms, the Maslow's Need Hierarchy Theory of motivation is extremely useful to motivate people at work.

(B) Herzberg's Motivation Hygiene Theory:

Fredrick Herzberg and his associates developed Motivation hygiene theory based on two main factors in late 1950's, who theorized that job satisfaction and job dissatisfaction act independently of each other. This theory is also known as **Two Factors theory**.

According to Herzberg's motivation-hygiene theory, high class performance can be achieved by increasing work satisfaction of the employees. This conclusion was drawn from a research carried out by a team of his collaborators. The respondents were groups of 200 accountant and engineers were subjects. A structured interview was carried out. The purpose of the study was to identify various factors for goal achievement and also the factors that could be included so that motivation levels do not fall. Herzberg concluded, "There are two types of need, independent of each other". They are hygiene factors and motivational factors.

1. Hygiene Factors or Dissatisfiers: There are some job conditions which operate primarily to dissatisfy employees when these conditions are absent. These factors are called hygiene factors. When these factors are present they do not motivate in a strong way, when absent they dissatisfy, that is why these factors are called dissatisfiers. These factors are:

- Company's policy and administration
- Relationship with supervisor
- Work condition
- Salary
- Relationship with peers
- Personal life
- Relationship with subordinates
- Status
- Security
- Supervision

These factors represent the need to avoid pain in the environment. They are not an intrinsic part of a job, but they related to the conditions under which a job is performed. They are associated with negative feelings. They must be viewed as preventive measures that remove source of dissatisfaction from environment. Hertzberg believed that hygiene factors created a zero level of motivation and it maintained at proper level prevents negative type of motivation from occurring. Thus, hygiene factors, when absent, increase dissatisfaction with the job. When present, help in preventing dissatisfaction but do not increase satisfaction or motivation.

2. Motivational Factors or Satisfiers They are associated with positive feelings of employees about the job. They make people satisfied with their job. Motivators are necessary to keep job satisfaction and job performance high. On the other hand, if they are not present they do not prove highly satisfying. Motivational factors or satisfiers are directly related to job content

itself, the individual's performance of it, its responsibilities and the growth and recognition obtained from it. They are intrinsic in nature and help increase one's output. These factors have positive effect on morale, productivity, and job satisfaction and overall efficiency of the organization. These factors are as under:

- Achievement
- Recognition
- Work itself
- Responsibility
- Advancement
- Growth

Thus, when these factors are absent, prevent both satisfaction and motivation. When, they are present, they lead to satisfaction and motivation.

To apply the two-factor theory to the workplace, Herzberg suggests two-step process:

- The supervisor should attempt to eliminate the hygiene factors that are found to be more basic than factors that lead to satisfaction.
- Once the dissatisfiers have been somewhat neutralized, the supervisor may be able to motivate workers through the introduction of motivational factors.

Criticism on Herzberg's Motivation-Hygiene Theory

Herzberg's Motivation-Hygiene Theory has made a significant contribution in the field of management, but it is not free from the criticisms. The main criticisms are as follows:

1. Confusing classification: There exist some factors that cannot clearly be classified into hygiene factors or motivational factor. We have already looked at salary as an example for this dichotomy. Other factors also influenced by situation.

2. Individual differences: Individual differences such as age, sex, social status, education or occupational levels also influence to what extent these factors have an impact. These individual differences are not considered in this theory of motivation.

3. Feelings of employees: Sort of feelings may be different as per individual but this aspect of human resource is not considered in this theory.

4. Research method: This research is based on 200 Engineers and Accountants. It did not cover all level employees. The sample size is relatively low. It is not to fair to generalize.

5. Inconsistent in categorizing: Another criticism was on Herzberg's classification system in which he was inconsistent in categorizing, the factors. For instant, when a worker is given a new

task, it is regarded as responsibility but if supervisor does not delegate the task, then it is taken as supervision-technical. In spite of these criticisms, the Herzberg's Motivation-Hygiene Theory of motivation extremely useful to motivate people at work.

REWARD SYSTEM TO MOTIVATE PERFORMANCE

Employees have a key role in the achievement of organizational goal. They should be qualified, experienced, efficient, and satisfied. Satisfied employees get self-motivated and work eagerly. There should be scientific reward system to motivate employee at work with zeal. Reward, motivation, and performance are closely interrelated. The manager should use reward as an gadget to motivate employees to effective performance. There are several types of reward systems to motivate performance. Rewards may be classified as:

- a. Extrinsic and Intrinsic
- b. Financial and Non-financial

a. Extrinsic and Intrinsic

Extrinsic Motivation: Extrinsic motivators do not occur on the job but around the job. These factors include pay allowances, bonus, and fringe benefits. Extrinsic reward may be direct which are linked with performance and indirect compensation like free housing, conveyance, medical facilities, etc. Generally direct compensation is more effective motivator.

Intrinsic Motivation: Intrinsic motivation occurs on the job and provides satisfaction while the job is being performed. Intrinsic or internal motivators include status, authority, participation, challenging task etc., variety of work, freedom for discretion, greater responsibility opportunity for advancement are also intrinsic rewards.

b. Financial and Non-financial

Financial Motivation: Financial motivation implies use of monetary benefits to inspire employees. Financial incentives include wages and salaries, bonus, fringe benefits, retirement benefits, etc. Money plays an important role in motivation. Money helps to satisfy physiological and security needs of workers. Money is also useful in satisfying social needs to some extent because money is often recognized as a symbol of power, prestige and status.

Non financial Motivation: Non-financial motivators are not associated with monetary rewards. These include recognition of work done, greater involvement in decision-making responsibility, challenging job, etc. Praise, competition, knowledge of results, suggestion system, and opportunity for growth are other important non-financial motivators.

Essentials of Effective Reward System

Reward should have the following features: to be effective: equitable, satisfy needs, matched with performance, variety in methods, and so on.

1. Equitable: Reward system should be on the basis of equality. If there is no equality in reward, the employees are not motivated to work. As a result, the reward system also cannot be effective. The organization should be conscious about it.

2. Satisfy needs: The reward system should fulfill the needs of employees. Financial rewards fulfill material needs whereas non financial rewards fulfill social and psychological needs of employees. Financial reward should be fixed by determining market price. In the other hand, non-financial rewards should be determined by analyzing qualification, ability, efficiency, and courage of employees.

3. Matched with performance: The reward system should match with quality of performance. In other words, there must be a link between effort and reward. Rewards should be given on the basis of performance. Time rate system of wage must be avoided and emphasis should be given to piece rate system to match reward and performance.

4. Variety in methods: There should be varieties of rewards because different employees have different needs and choose different paths to satisfy those needs. Favorable reward makes employees active and hardworking.

MOTIVATION THROUGH EMPLOYEE PARTICIPATION

Participative management is the practice of empowering employees to participate in organizational decision making. It encourages the involvement of stakeholders at all levels of an organization in the analysis of problems, development of strategies, and implementation of solutions. Participation creates a sense of ownership, instills a sense of pride, and develops sense of self-esteem. It motivates employees to increase productivity in order to achieve their goals. There are several methods and tools of employee participation to motivate them at work. Among them we discuss only quality of working life (QWL) and self managed team.

Quality of Working Life

Quality of working life (QWL) is a technique to motivate employees to work through participation. QWL indicates the relationship quality between total work environment and employees. If the quality of working life of employees is good, they become satisfied and get motivated to work hard. They become successful to perform challenging work. Employee share ownership, flextime, quality control circle etc. are some mechanism through which QWL can be achieved.

Employee share ownership

It is an important mechanism of quality of working life. An employee shares ownership plan is an employee-owner method that provides a company's workforce with an ownership interest in the company. In this plan, company provides its employees with share ownership, often at no upfront cost to the employees. Nowadays, most of the companies make the employees owners by distributing shares to them. Doing so, employees think the organization/ company to be their own, they become dedicated to the organization and get opportunity to take part in decision making process. The employees get self motivated from this plan.

Flextime

It is also known as flexible working time or flexi-time. It is a variable work schedule in contrast to traditional work arrangements requiring employees to work a standard 9 AM 5 PM day. Under flextime, there is typically a core period (of approximately 50% of total working day) of the day, when employees are expected to be at work (for example, between 11 a.m. and 3 p.m.), while the rest of the working day is "flexible time", in which employees can choose when they work, subject to achieving total daily, weekly or monthly hours in the region of what the employer expects, and subject to the necessary work being done. Employees to adapt their work hours to public transport schedules, to the schedules their children have, and that road traffic will be less packed, more spread out etc. are the benefits of flextime.

Quality Control Circle

QCC is a team formed to solve quality problems and improve quality of products. A quality control circle is a small group of workers who come together to discuss ways of identifying analyzing, solving, and selecting work related issues. More than 95% of work related problems can be resolved using various QC tools such as the cause and effect diagram, check sheets, charts, pare to diagrams and graphs. QCC is led by a supervisor or manager and presents its solutions to management where possible, workers implement the solutions themselves. QCC members are trained extensively in order that they may efficiently execute their various roles.

Self managed Team

Self-managed team is a self-organized, semiautonomous small group of employees whose members determine, plan, and manage their day-to-day activities and duties under reduced or no supervision. Companies favor self managed teams as they offer cost savings and increased productivity, if implemented effectively. However, self-managed teams aren't the right fit for every company. The best-performing self-managed teams are found in companies where the

organizational culture clearly supports decision-making by employees. The duties, authorities, and responsibilities of the self-managed team members are not formally defined. The leadership of the team is held on the basis of personal charisma. No written codes of conduct nor rules or regulations are made. The members of the team work with discipline and become goal oriented. They have high morale. They utilize the autonomy to use to show their ability. Self-managed teams are a group of 10 to 15 employees. They have responsibility of planning and scheduling of work, task assignment to members, taking actions to solve problems, decision making about operation and collective control over performance.