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## Motivation theories

### The satisfaction of needs

If asked, most people who work would probably say they do so to earn money to buy goods and services. However, this is not the only need that is satisfied by working. A list of people's needs that may be satisfied from work might be very long indeed. It could include, for example, the need for variety in the workplace, which may be satisfied by an interesting job. Employees may also need to feel appreciated for the work they do, which could be reflected in the prestige attached to their job.

Individuals are not the same. Therefore, it is likely that lists made by any two people of their needs and how they can be satisfied will be very different. There are some reasons for working that could apply to everyone, such as the need to earn money. However, some reasons have more importance for particular individuals than others. One employee may need to work with friendly colleagues, whereas another might be happy working on his own.

### The importance of motivation

Why is it important for a business to find out what satisfies the needs of its employees? It is argued that if an individual's needs are not satisfied, then that worker will not be MOTIVATED to work. Businesses have found that even if employees are satisfied with pay and conditions at work, they also complain that their employer does not do a good job in motivating them. This applies to all levels, from the shop floor to the boardroom. It appears in many companies that employers are not getting the full potential from their employees because they are not satisfying all of their employees' needs. Figure 1 shows one example of how a business might make decisions, having first identified an employee's needs.

It is important for a business to motivate its employees. In the short run a lack of motivation may lead to reduced effort and lack of commitment. If employees are watched closely, fear of wage cuts or redundancy may force them to maintain their effort even though they are not motivated. This is negative

motivation. In the long term, a lack of motivation may result in high levels of absenteeism, industrial disputes and falling productivity and profit for a business. So it is argued that well motivated employees will be productive which should lead to greater efficiency and profits for a business.

This unit examines different theories of motivation. They can be broadly categorised into two main groups – content theories of motivation and process theories of motivation. **Content theories** of motivation explain the specific factors that motivate people. They answer the question 'What drives behaviour?' and include the theories of Maslow, McGregor, McClelland and Herzberg. **Process theories** are concerned with the thought processes that influence behaviour, such as the theories of Vroom, Porter and Lawler, and Adams.

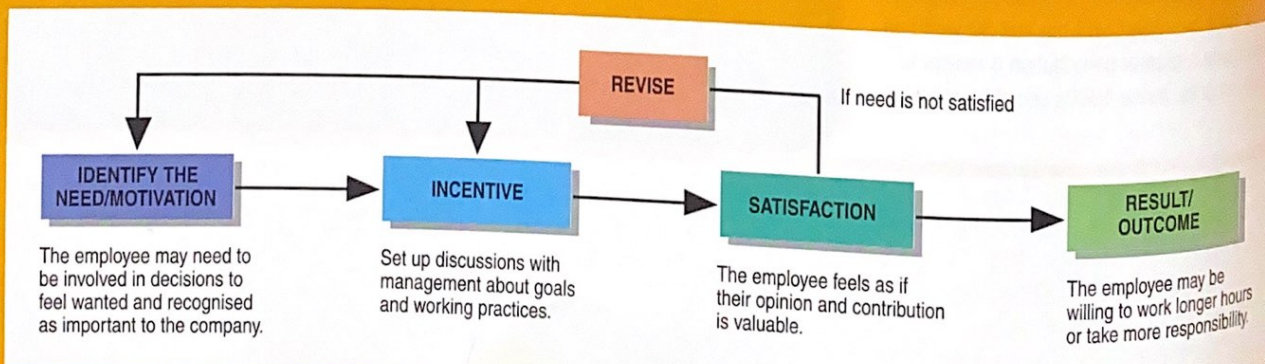
### Maslow's hierarchy of needs

The first comprehensive attempt to classify needs was by Abraham Maslow in 1954. Maslow's theory consisted of two parts. The first concerned classification of needs. The second concerned how these classes are related to each other. Maslow suggested that 'classes' of needs could be placed into a hierarchy. The hierarchy is normally presented as a 'pyramid', with each level consisting of a certain class of needs. This is shown in Figure 2. The classes of needs were:

- physiological needs, e.g. wages high enough to meet weekly bills, good working conditions;
- safety needs, e.g. job security, safe working conditions;
- love and belonging, e.g. working with colleagues that support you at work, teamwork, communicating;
- esteem needs, e.g. being given recognition for doing a job well;
- self-actualisation, e.g. being promoted and given more responsibility, scope to develop and introduce new ideas and take on challenging new job assignments.

Figure 2 can also be used to show the relationship between the different classes. Maslow argued that needs at the bottom of the pyramid are basic needs. They are concerned with survival.

Figure 1: Satisfying an individual's needs



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These needs must be satisfied before a person can move to the next level. For example, people are likely to be more concerned with basic needs, such as food, than anything else. At work an employee is unlikely to be concerned about acceptance from colleagues if he has not eaten for six hours. Once each level is satisfied, the needs at this level become less important. The exception is the top level of SELF-ACTUALISATION. This is the need to fulfil your potential. Maslow argued that although everyone is capable of this, in practice very few reach this level.

Each level of needs is dependent on the levels below. Say an employee has been motivated at work by the opportunity to take responsibility, but finds he may lose his job. The whole system collapses, as the need to feed and provide for himself and his dependants again becomes the most important need.

Maslow's ideas have great appeal for business. The message is clear - find out which level each individual is at and decide on suitable rewards. Unfortunately the theory has problems when used in practice. Some levels do not appear to exist for certain individuals, while some rewards appear to fit into more than one class. Money, for example, needs to be used to purchase essentials' such as food, but it can also be seen as a status symbol or an indicator of personal worth. There is also a problem in deciding when a level has actually been 'satisfied'. There will always be exceptions to the rules Maslow outlined. A well motivated designer may spend many hours on a creative design despite lack of sleep or food.

## Taylor's Scientific Management

Research into the factors that motivate individuals had been carried out long before Maslow's 'hierarchy' of needs. Frederick W. Taylor set out a theory of SCIENTIFIC MANAGEMENT in his book *The Principles of Scientific Management* in 1911. Many of the ideas of today's 'scientific management school' come from

### Question 1.

Anmac Ltd is a small expanding high-tech company. It employs approximately 25 workers in two factories, one at Chester and one at Stafford. The employers organise work on a fairly informal basis.

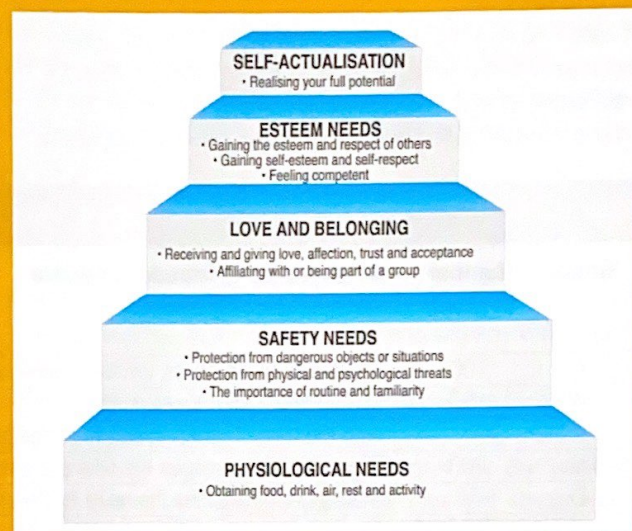
Workers work at their own pace, which often results in a variable level of output. Recently orders for their advanced micro-electronic circuit boards have increased rapidly. The firm has decided that, to cope with the orders, increased production is needed. Two suggestions have been put forward.

- Encourage the workers to work overtime at the Chester plant.
- Redeploy some of the workers from Chester to Stafford where there is a shortfall of workers.

The workers at the Chester plant are mainly married women in their twenties, many with young, school-aged children and husbands who also work.

- (a) Explain how Taylor's scientific management principles might be used to solve the problems faced by Anmac Ltd.
- (b) What problems might Anmac Ltd find in using such principles?

Figure 2: Maslow's hierarchy of needs



the work of Taylor.

The turn of the 20th century in the USA was a time of rapid expansion. Compared to today, the organisation of work on the shop floor was left much more in the hands of workers and foremen. Workers often brought their own tools and decisions about the speed of machines were left to operators. There were few training programmes to teach workers their jobs and skills were gained simply by watching more experienced colleagues. Decisions about selection, rest periods and layoffs were frequently made by foremen.

Taylor suggested that such arrangements were haphazard and inefficient. Management did not understand the shop floor and allowed wasteful work practices to continue. Workers, on the other hand, left to their own devices, would do as little as possible. 'Soldiering' would also take place (working more slowly together so that management did not realise workers' potential) and workers would carry out tasks in ways they were used to rather than the most efficient way.

Taylor's scientific principles were designed to reduce inefficiency of workers and managers. This was to be achieved by 'objective laws' that management and workers could agree on, reducing conflict between them. Neither party could argue against a system of work that was based on 'science'. Taylor believed his principles would create a partnership between manager and worker, based on an understanding of how jobs should be done and how workers are motivated.

**Taylor's approach** How did Taylor discover what the 'best way' was of carrying out a task? Table 2 shows an illustration of Taylor's method. Taylor had a very simple view of what motivated people at work - money. He felt that workers should receive a 'fair day's pay for a fair day's work', and pay should be linked to output through piece rates. A worker who did not produce a 'fair day's work' would face a loss of earnings; exceeding the target would lead to a bonus. In 1899 Taylor's methods were used at the Bethlehem Steel Works in the USA,

## Question 2.

Table 1 shows the results of a survey carried out in Bryant and Gillie, a SME that manufactures children's clothing. The company introduced a piece rate system of work - a system where employees are paid according to the number or quantity of items they produce. Five groups

were involved in the new system. Different actions were taken to introduce the system to each group. The table shows the effect on labour turnover and output of these actions.

**Table 1: The effect of introducing a piece rate system into a clothes manufacturing business**

Group	Number in group	Action taken to introduce system	Resignations within 40 days of introduction	Change in output
A	100	Group told the changes will take place next week	17%	-2%
B	150	Management introduces changes with the help of group to suit their needs	0%	+10%
C	200	Group told the changes will take place next week	7%	0%
D	50	Management explains the need for change to group	2%	+2%
E	100	Management explains the need for change and discusses this with the group	0%	+5%

- (a) To what extent do the results support the human relations explanation of workers' motivation?
- (b) Using the results of the survey in Table 1, advise the management on the likely action needed to motivate workers when changing work practices.

where they were responsible for raising pig iron production by almost 400 per cent per man per day. Taylor found the 'best way to do each job' and designed incentives to motivate workers.

Taylor's message for business is simple - allow workers to work and managers to manage based on scientific principles of work study. Many firms today still attempt to use Taylor's principles. In the 1990s for example some businesses introduced **Business process reengineering (BPR)**. This is a management approach where organisations look at their business processes from a 'clean slate' perspective and determine how they can best construct these processes to improve how they conduct business. Taylor's approach is similar in that it advocates businesses finding the best way of doing something to add value to the business.

**Problems with Taylor's approach** There is a number of problems with Taylor's ideas. The notion of a 'quickest and best way' for all workers does not take into account individual differences. There is no guarantee that the 'best way' will suit everyone.

Taylor also viewed people at work more as machines, with financial needs, than as humans in a social setting. There is no doubt that money is an important motivator. Taylor overlooked that people also work for reasons other than money. A survey in America by the Robb and Myatt in 2004, for example, found that of the top ten factors motivating workers, the first three categories were a sense of achievement, having that achievement recognised, and positive working relationships. This suggests there may be needs that must be met at work, which Taylor ignored, but were recognised in Maslow's ideas which came later.

**Table 2: Taylor's method, designed to find the 'best way' to carry out a task at work**

- Pick a dozen skilled workers.
- Observe them at work and note down the elements and sequences adopted in their tasks.
- Time each element with a stop watch.
- Eliminate any factors which appear to add nothing to the completion of the task.
- Choose the quickest method discovered and fit them in their sequence.
- Teach the worker this sequence; do not allow any change from the set procedure.
- Include time for rest and the result will be the 'quickest and best' method for the task. Because it is the best way, all workers selected to perform the task must adopt it and meet the time allowed.
- Supervise workers to ensure that these methods are carried out during the working day.

## Human relations

Taylor's scientific management ideas may have seemed appealing at first glance to business. Some tried to introduce his ideas in the 1920s and 1930s, which led to industrial unrest. Others found that financial incentives did motivate workers, and still do today. However, what was becoming clear was that there were other factors which may affect workers' motivation.

**The Hawthorne studies** Many of the ideas which are today known as the 'human relations school' grew out of experiments between 1927 and 1932 at the Hawthorne Plant of the Western Electric company in Chicago. Initially these were based on 'scientific management' - the belief that workers' productivity was affected by work conditions, the skills of workers and financial incentives. Over the five year period, changes were made in incentive schemes, rest periods, hours of work, lighting and heating and the effect on workers' productivity was

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measured. One example was a group of six women assembling telephone relays. It was found that whatever changes were made, including a return to the original conditions, output rose. This came to be known as the HAWTHORNE EFFECT.

The study concluded that changes in conditions and financial rewards had little or no effect on productivity. Increases in output were mainly due to the greater cohesion and communication which workers in groups developed as they interacted and were motivated to work together. Workers were also motivated by the interest shown in their work by the researchers. This result was confirmed by further investigations in the Bank Wiring Observation where 14 men with different tasks were studied.

The work of **Elton Mayo** (and Roethlisberger and Dickson) in the 1930s, who reported on the Hawthorne Studies, has led to what is known today as the human relations school. A business aiming to maximise productivity must make sure that the 'personal satisfactions' of workers are met for workers to be motivated. Management must also work and communicate with informal work groups, making sure that their goals fit in with the goals of the business. One way to do this is to allow such groups to be part of decision making. Workers are likely to be more committed to tasks that they have had some say in.

There are examples of these ideas being used in business. The Volvo plant in Uddevalla, opened in 1989, was designed to allow workers to work in teams of eight to ten. Each team built a

complete car and made decisions about production. Volvo found that absenteeism rates at Uddevalla averaged 8 per cent, compared to 25 per cent in their Gothenburg plant which used a production line system. Other examples have been:

- Honda's plant in Swindon where 'teamwork' has been emphasised - there were no workers or directors, only 'associates';
- McDonald's picnics, parties and McBingo for their employees where they were made to feel part of the company;
- Mary Kay's seminars in the USA, which were presented like the American Academy awards for company employees.

**Problems** There is a number of criticisms of the human relations school.

- It assumes workers and management share the same goals. This idea of workplace 'consensus' may not always exist. For example, in the 1980s Rover tried to introduce a programme called 'Working with Pride'. It was an attempt to raise quality by gaining employee commitment. This would be achieved by greater communication with employees. The programme was not accepted throughout the company. As one manager stated: 'We've tried the face-to-face communications approach. It works to a degree, but we are not too good at the supervisory level ... enthusiasm for the Working with Pride programme is proportionate to the level in the hierarchy. For supervisors it's often just seen as a gimmick ...'
- It is assumed that communication between workers and management will break down 'barriers'. It could be argued, however, that the knowledge of directors' salaries or redundancies may lead to even more 'barriers' and unrest.
- It is biased towards management. Workers are manipulated into being productive by managers. It may also be seen as a way of reducing trade union power.

### Question 3.

Larry Page and Sergey Brin graduated from America's Stanford University in computer science in 1995. They found common ground in a unique approach to solving one of computing's biggest challenges - retrieving relevant information from a massive set of data. They spent 18 months perfecting their technology, following a path that would ultimately become Google Inc. At Mountain View, California, where Google is based, there is a beach volleyball court, a dinosaur skeleton and gaudy parasols aplenty. There is an abundance of open space, courtyards, quadrangles and forums. The buildings are uncluttered, mixing functionality and hi-tech feng shui. Staff travel between buildings on electric mini-scooters. Whiteboards are dotted throughout and the famous 'help yourself' juice counters are also in evidence. Lunch is free for employees and there's more choice than one would find in a small town. Open a laptop in Mountain View anywhere and you are invited to join the free Google wi-fi network. Everywhere there are examples of the legendary 20 per cent scheme that Google operates - letting engineers spend a fifth of their time pursuing personal projects. On one plasma screen a spinning globe shows search engine queries to Google made in real time. It was created by one of the engineers in his 20 per cent time. Google also has its on-site gym, on-site dentist and on-site celebrity chef who previously served the Grateful Dead.

Source: adapted from [www.matr.net](http://www.matr.net), [www.bbc.co.uk](http://www.bbc.co.uk).

- Outline the various ways that Google uses to motivate its staff.
- Using a motivation theory, examine why Google is successful at motivating its employees.

### Herzberg's two-factor theory

In 1966 Fredrick Herzberg attempted to find out what motivated people at work. He asked a group of professional engineers and accountants to describe incidents in their jobs which gave them strong feelings of satisfaction or dissatisfaction. He then asked them to describe the causes in each case.

**Results** Herzberg divided the causes into two categories or factors. These are shown in Figure 3.

- **MOTIVATORS.** These are the factors which give workers **job satisfaction**, such as recognition for their effort. Increasing these motivators is needed to give job satisfaction. This, it could be argued, will make workers more productive. A business that rewards its workforce for, say, achieving a target is likely to motivate them to be more productive. However, this is not guaranteed, as other factors can also affect productivity.
- **HYGIENE or MAINTENANCE FACTORS.** These are factors that can lead to workers being **dissatisfied**, such as

pay or conditions. Improving hygiene factors should remove dissatisfaction. For example, better canteen facilities may make workers less dissatisfied about their environment. An improvement in hygiene factors alone is not likely to motivate an individual. But if they are not met, there could be a fall in productivity.

There is some similarity between Herzberg's and Maslow's ideas. They both point to needs that have to be satisfied for the employee to be motivated. Herzberg argues that only the higher levels of Maslow's hierarchy motivate workers.

Herzberg's ideas are often linked with **job enrichment**. This is where workers have their jobs 'expanded', so that they can experience more of the production process. This allows the workers to be more involved and motivated, and have a greater sense of achievement. Herzberg used his ideas in the development of clerical work. He selected a group of workers in a large corporation. Performance and job attitudes were low. Herzberg redesigned these jobs so that they were given more responsibility and recognition.

**Problems** Herzberg's theory does seem to have some merits. Improving pay or conditions, for example, may remove dissatisfaction at first. Often, however, these things become taken for granted. It is likely that better conditions will be asked for in following years. Evidence of this can be seen in wage claims which aim to be above the rate of inflation in some businesses every year. Job enrichment may also be expensive for many firms. In addition, it is likely that any benefits from job improvements will not be seen for a long time and that businesses will not be able to continue with such a policy in periods of recession.

Surveys that have tried to reproduce Herzberg's results have often failed. This may have been because different groups of workers have been examined and different techniques used. Also, there is a problem in relying too much on what people say they find satisfying or dissatisfying at work as this is subjective. For example, if things go wrong at work individuals have a tendency to blame it on others or factors outside of their control. On the other hand if individuals feel happy and satisfied when they are at work then they tend to see it as their own doing.

### McGregor's Theory X and Theory Y

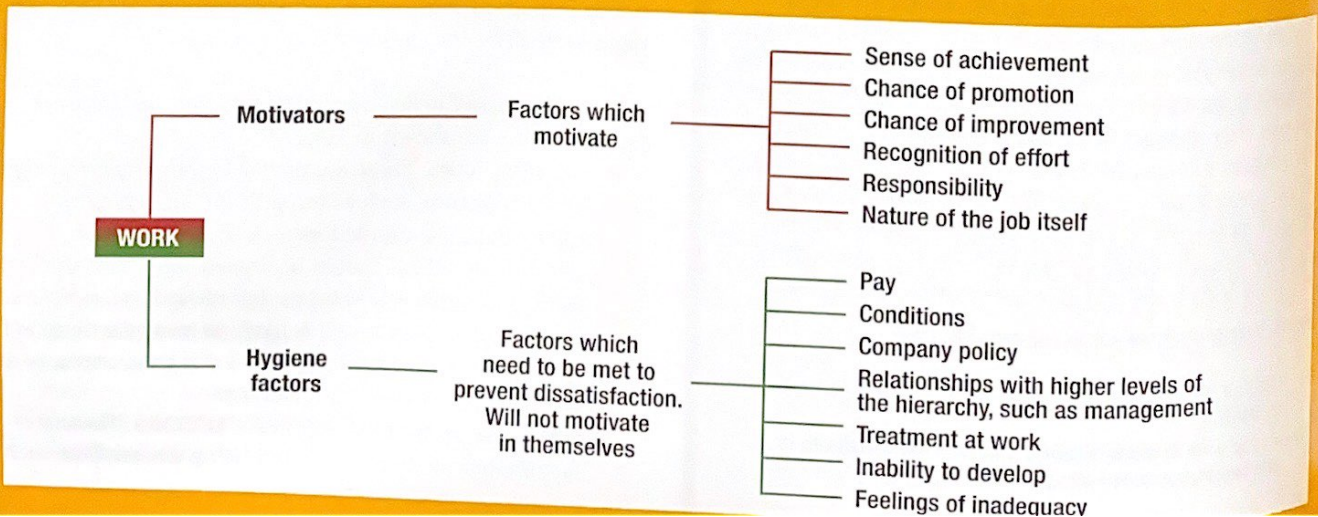
Douglas McGregor suggested two theories to explain why people work. Theory X assumes workers are lazy, motivated by money and will only work if coerced by management. Theory Y assumes that workers are motivated by many different factors and are responsible and committed. In this cases management should create a work environment to allow workers to show creativity and contribute at work. These views are examined in the unit titled 'Management'.

### McClelland's managerial needs

David McClelland suggested that what motivates people is that they learn in early childhood that certain types of behaviour lead to 'gratification'. They develop needs based on this behaviour. For example, a girl may have a great need to achieve, encouraged by parents who help her to be successful at school. When she becomes employed, she will behave in a similar way. There are, McClelland argues, three basic needs – achievement, affiliation, power.

- The need for achievement. This is one of the keys to a company's success. People who have high achievement needs often become successful entrepreneurs. Such people like to take responsibility and risks, and want quick feedback on how they have performed. They like to set their own goals and standards and achieve these on their own. However, it is also likely that people with a need to achieve will not work well in groups.
- The need for affiliation. McClelland found that some successful people in business did not, as he expected, score high on the need to achieve. In large firms, managers' goals can often be achieved by working with others, rather than by their own efforts. Such managers have a need to relate to others and will try to gain the acceptance of their superiors and work colleagues.
- The need for power. Some individuals with high achievement and affiliation needs still had problems in influencing or controlling others, McClelland found. To be

Figure 3: Herzberg's two factor theory



successful there was often a need to get people to work together. McClelland called this the power motive. He recognised that although the need for power is often seen as undesirable (where one person dominates others) it can also be seen in a positive light. It might reflect the ability of an individual to persuade, influence or lead people.

Research suggests that people with a need for power tend to be in higher and more influential positions in business.

According to McClelland, a business needs to know how these three needs affect an individual. For example, a person who has high affiliation needs may not make a good marketing manager. Such a person would, based on the theory, constantly look for acceptance and support for all decisions. It is likely that this job would need someone who was far more self-motivated.

### Vroom and Porter-Lawler expectancy theories

The theories examined so far assume that people try to meet goals and so satisfy their needs. The **expectancy theories** of Victor Vroom and L. Porter and E. Lawler argue that this relationship is not so simple. First, each individual will have different goals. Second, people only act to achieve their goals if they feel there is a chance of success. Third, the value of the goal to the individual will also affect that person's motivation. These theories might affect the way a business designs its pay and benefit systems and also the design of tasks and jobs to enable people to satisfy their needs. They take into account that people have different needs, and that some may want autonomy and responsibility at work, whereas others may not.

### Adam's equity theory

John Stacey Adam's **equity theory** of motivation suggests that people are happiest in relationships where 'give and take' are about equal. If one person is getting too little from the relationship, then not only are they going to be unhappy with this, but the person getting the lion's share will also be feeling rather guilty about this imbalance. This is reinforced by strong social norms about fairness. In business, equity theory suggests

## CRITIQUE

Motivation theories may not work in practise for a number of reasons.

**Different circumstances** If the business is geared towards hierarchy and authority, and work is routine, people may choose to do such work in return for financial rewards, for example to enjoy themselves away from work. At other times, job interest and involvement may outweigh financial rewards. This may be true, for instance, in worker buyouts, when employees are prepared to accept lower financial rewards to maintain job security and have a say in the running of the business.

**Different types of operation** It is also argued that many motivation theories were developed in earlier times, when work conditions were different. Work methods did not need the advanced levels of technological knowledge and problem-solving skills that they do today. These skills change the relationship between management and the shop floor, for example by empowering workers.

**Capitalism** Theories of motivation based on the ideas of Marx suggest that getting people motivated will always be a problem under capitalism. This is because, although we depend on each other to produce wealth, private ownership of business allows owners to exploit those employees who must sell their labour in order to live. Though profits are only made through labour, the interests of owners and workers, diverge since labour is a cost to be minimised if profits are to be maximised.

that in return for an input (skills, effort, training) an employee receives an outcome (pay, status, fringe benefits). This creates a ratio of input to outcome and equity is achieved when the ratios are the same for everyone in an organisation. A manager in a finance company may know that he makes over £200,000 in revenue for the company each year and his salary is £30,000. An older executive, who performs the same job, and also brings in a revenue of £200,000 may receive a higher salary. Awareness of this lack of fairness (equity) creates demotivation among the junior employees, who feel exploited as a result.

## KNOWLEDGE

1. Why is it important for business to satisfy workers?
2. Name five needs in Maslow's hierarchy that an individual might have at work.
3. What are the aims of Taylor's scientific management theory?
4. According to Taylor, how are people motivated?
5. What is meant by the human relations school of thought?
6. What, according to the human relations school, is the main motivator at work?
7. Explain the difference between Theory X and Theory Y.
8. According to Herzberg's theory, what factors are likely to: (a) increase job satisfaction; (b) reduce dissatisfaction at work?
9. What general conclusions can a business draw from the criticisms of motivation theory?