Chapter 8

Motivation and Empowerment
Your Leadership Challenge

- Recognize and apply the difference between intrinsic and extrinsic rewards.
- Motivate others by meeting their higher-level needs.
- Apply needs-based theories of motivation.
- Implement individual and systemwide rewards.
Your Leadership Challenge (cont.)

• Avoid the disadvantages of “carrot-and-stick” motivation.

• Implement employee engagement programs and empowerment to meet higher-level needs.
Motivation

The forces either internal or external to a person that arouse enthusiasm and persistence to pursue a certain course of action
Ex. 8.1 A Simple Model of Motivation

Need Creates desire to fulfill needs (money, friendship, recognition, achievement)

Behavior Results in actions to fulfill needs

Rewards Satisfy needs: intrinsic or extrinsic rewards

Feedback Reward informs person whether behavior was appropriate and should be used again
Types of Rewards

Intrinsic Rewards
- Internal satisfactions a person receives in the process of performing a particular action

Extrinsic Rewards
- Rewards given by another person, typically a supervisor, such as pay increases and promotions
Types of Rewards (contd.)

Systemwide Rewards
- Rewards that apply the same to all people within an organization or within a specific category or department

Individual Rewards
- Rewards that differ among individuals within the same organization or department
### Ex. 8.2 Examples of Intrinsic and Extrinsic Rewards

<table>
<thead>
<tr>
<th></th>
<th>Extrinsic</th>
<th>Intrinsic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual</strong></td>
<td>Large merit increase</td>
<td>Feeling of self-fulfillment</td>
</tr>
<tr>
<td><strong>Systemwide</strong></td>
<td>Insurance benefits</td>
<td>Pride in being part of a “winning” organization</td>
</tr>
</tbody>
</table>
Ex. 8.3 Needs of People and Motivation Methods

Needs of people

Conventional management
- Lower needs
  - Carrot and stick (Extrinsic)
    - Control people
      - Adequate effort
  - Leadership
    - Higher needs
      - Empowerment (Intrinsic)
        - Growth and fulfillment
          - Best effort
Maslow’s theory proposes that humans are motivated by multiple needs and those needs exist in a hierarchical order.
### Ex. 8.4 Maslow’s Hierarchy of Needs

<table>
<thead>
<tr>
<th>Need Hierarchy</th>
<th>Fulfillment on the Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-actualization Needs</td>
<td>Opportunities for advancement, autonomy, growth, creativity</td>
</tr>
<tr>
<td>Esteem Needs</td>
<td>Recognition, approval, high status, increased responsibilities</td>
</tr>
<tr>
<td>Belongingness Needs</td>
<td>Work groups, clients, coworkers, supervisors</td>
</tr>
<tr>
<td>Safety Needs</td>
<td>Safe work, fringe benefits, job security</td>
</tr>
<tr>
<td>Physiological Needs</td>
<td>Heat, air, base salary</td>
</tr>
</tbody>
</table>
Dimensions in the 2-Factor Theory

- **Hygiene factors**
  - Involve working conditions, pay, company policies, and interpersonal relationships.

- **Motivators**
  - Involve job satisfaction and meeting higher-level needs such as achievement, recognition, and opportunity for growth.
Ex. 8.5 Herzberg’s Two-Factor Theory

<table>
<thead>
<tr>
<th>Area of Satisfaction</th>
<th>Motivators</th>
<th>Hygiene Factors</th>
<th>Area of Dissatisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Achievements</td>
<td>Work conditions</td>
<td>Highly Dissatisfied</td>
</tr>
<tr>
<td></td>
<td>Recognition</td>
<td>Pay/security</td>
<td>Highly Satisfied</td>
</tr>
<tr>
<td></td>
<td>Responsibility</td>
<td>Co. policies</td>
<td>Neither Satisfied nor Dissatisfied</td>
</tr>
<tr>
<td></td>
<td>Work itself</td>
<td>Supervisors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personal growth</td>
<td>Interpersonal. relationships</td>
<td></td>
</tr>
</tbody>
</table>
Acquired Needs Theory

• McClelland’s theory that proposes that certain types of needs are acquired during an individual’s lifetime

• Three needs most frequently studied:
  – Need for achievement
  – Need for affiliation
  – Need for power
Reinforcement Theory

• A motivational theory that looks at the relationship between behavior and its consequences by changing or modifying followers’ on-the-job behavior through the appropriate use of immediate rewards or punishments.
Ex. 8.6 Key Elements of Expectancy Theory

- **E > P expectancy**
  - Effort → Performance
  - Will putting effort into the task lead to the desired performance?

- **P > O expectancy**
  - Performance → Outcomes
  - Will high performance lead to the desired outcomes?

- **Valence**
  - Value of outcomes (pay, recognition, other rewards)
  - Are the available outcomes highly valued?

**Motivation**
Equity Theory

A theory that proposes that people are motivated to seek social equity in the rewards they expect for performance.
Empowerment

Power sharing, the delegation of power or authority to subordinates in the organization.
Elements of Empowerment

✓ Employees receive information about company performance.
✓ Employees receive knowledge and skills to contribute to company goals.
✓ Employees have the power to make substantive decisions.
✓ Employees understand the meaning and impact of their jobs.
✓ Employees are rewarded based on company performance.
Ex. 8.7 The Empowerment Continuum