

and mental imagery. Self-talk occurs in any situation in which a person talks to himself or herself about his or her own thoughts or actions. Mental imagery involves mentally practicing a task and imagining successfully performing it beforehand. People with higher levels of conscientiousness,

extroversion, and a positive self-concept are more likely to apply self-leadership strategies. It also increases in workplaces that support empowerment and have high trust between employees and management.

key terms

autonomy, p. 170

employee stock ownership plans (ESOPs), p. 162

empowerment, p. 175

gainsharing plans, p. 162

job characteristics model, p. 169

job design, p. 167

job enlargement, p. 173

job enrichment, p. 173

job evaluation, p. 160

job specialization, p. 167

mental imagery, p. 178

motivator-hygiene theory, p. 169

profit-sharing plans, p. 163

scientific management, p. 168

self-leadership, p. 176

self-talk, p. 177

skill variety, p. 170

stock options, p. 163

task identity, p. 170

task significance, p. 170

critical thinking questions

1. As a consultant, you have been asked to recommend either a gainsharing plan or a profit-sharing plan for employees who work in the four regional distribution and warehousing facilities of a large retail organization. Which reward system would you recommend? Explain your answer.
2. Which of the performance reward practices—individual, team, or organizational—would work better in improving organizational goals? Please comment with reference to an organization of your choice.
3. Waco Tire Corporation redesigned its production facilities around a team-based system. However, the company president believes that employees will not be motivated unless they receive incentives based on their individual performance. Give three reasons why Waco Tire should introduce team-based rather than individual rewards in this setting.
4. What can organizations do to increase the effectiveness of financial rewards?
5. Most of us have watched pizzas being made while waiting in a pizzeria. What level of job specialization do you usually notice in these operations? Why does this high or low level of specialization exist? If some pizzerias have different levels of specialization than others, identify the contingencies that might explain these differences.
6. Can a manager or supervisor “empower” an employee? Discuss fully.
7. Describe a time when you practiced self-leadership to perform a task successfully. With reference to each step in the self-leadership process, describe what you did to achieve this success.
8. Can self-leadership replace formal leadership in an organizational setting?



CASE STUDY: YAKKATECH, INC.

Steven L. McShane, The University of Western Australia

YakkaTech Corp. is an information technology services firm employing 1,500 people throughout Washington and Oregon. YakkaTech has a consulting division, which mainly installs and upgrades enterprise software systems and related hardware on the client's site. YakkaTech also has a customer service division that consists of four customer contact centers serving clients within each region.

Each customer service center consists of a half-dozen departments representing functional specializations (computer systems, intranet infrastructure, storage systems, enterprise

software systems, customer billing, etc.). These centers typically have more than two dozen employees in each department. When a client submits a problem to the center using the online form, the message or call is directed to the department where the issue best applies. The query is given a “ticket” number and assigned to the next available employee in that department. Individual employees are solely responsible for the tickets assigned to them. The employee investigates and corrects the issue, and the ticket is “closed” when the client agrees that the problem has been resolved.

If the client experiences the same problem again, even a few days later, a new ticket is issued and sent to whichever employee is available to receive the ticket. A client's problems are almost always handled by different employees each time, even when the issue is sent to the same department. Furthermore, when a customer center department is heavily backlogged, clients are redirected to the same department at another regional center, where their problem can be addressed more quickly.

At one time, YakkaTech operated more than a dozen small customer contact centers throughout the region, because client problems had to be diagnosed and resolved on-site. Today, employees can investigate most software and hardware system faults from the center through remote monitoring systems, rather than personally visit the client. Consequently, eight years ago, YakkaTech amalgamated its customer service operations into four large regional centers. Customer service staff work entirely within the center. When a client visit is required, the ticket is transferred to an individual or team in the consulting business, who then visits the client.

YakkaTech's customer service business has nearly doubled over the past five years, but with this growth has come increasing customer complaints regarding poor quality service. Many say that employees seem indifferent to the client's problems. Others have commented on the slow response to their problems where the issue requires the involvement of more than one department. Several clients have also complained that they are continually educating YakkaTech's customer service employees about the details of their unique IT systems infrastructure.

Another concern is that about 18 months ago, YakkaTech's voluntary employee quit rates in the contact centers had risen above the industry average. This shift increased labor costs due to the cost of recruiting new technical staff and the lower productivity of new employees. According to results of an employee survey two years ago (as well as informal comments since then), many employees felt that their work is

monotonous. Some also said that they felt disconnected from the consequences of their work. A few also complained about ongoing conflicts with people in other departments and the stress of serving dissatisfied clients.

In response, YakkaTech's executive team decided to raise pay rates for its customer service staff to become among the highest in the industry around the Pacific Northwest. The assumption was that the high pay rates would improve morale and reduce turnover, thereby reducing hiring costs and improving productivity. In addition, YakkaTech introduced a vested profit-sharing plan, in which employees received the profit-sharing bonus only if they remained with the company for two years after the bonus was awarded. Employees who quit or were fired for just cause before the vesting period forfeited the bonus.

Employee turnover rates dropped dramatically, leading the executive team to conclude that customer service quality and productivity would improve. Instead, customer complaints and productivity remain below expectations and, in some cases, have worsened. Experienced employees continue to complain about the work. There have been a few disturbing incidents in which employees have been careless in solving client problems or did not bother to forward tickets that should have been assigned to another department. Employee referrals (where staff recommend friends to join the company) have become rare events, whereas at one time they represented a significant source of qualified job applicants. Furthermore, a few executives have recently overheard employees say that they would like to work elsewhere but can't afford to leave YakkaTech.

Discussion Questions

1. What symptom(s) in this case suggest that something has gone wrong?
2. What are the main causes of these symptoms?
3. What actions should YakkaTech executives take to correct these problems?

© 2009 Steven L. McShane



TEAM EXERCISE: IS STUDENT WORK ENRICHED?

PURPOSE This exercise is designed to help you learn how to measure the motivational potential of jobs and evaluate the extent that jobs should be further enriched.

INSTRUCTIONS (SMALL CLASS) Being a student is like a job in several ways. You have tasks to perform, and someone (such as your instructor) oversees your work. Although few people want to be students most of their lives (the pay rate is too low!), it may be interesting to determine how enriched your job is as a student.

1. Students are placed into teams (preferably four or five people).
2. Working alone, each student completes both sets of measures in this exercise. Then, using the following guidelines,

they individually calculate the score for the five core job characteristics as well as the overall motivating-potential score for the job.

3. Members of each team compare their individual results. The group should identify differences of opinion for each core job characteristic. They should also note which core job characteristics have the lowest scores and recommend how these scores could be increased.
4. The entire class will then meet to discuss the results of the exercise. The instructor may ask some teams to present their comparisons and recommendations for a particular core job characteristic.