of intellectual property. For the dual cyclonic vacuum cleaner, Dyson holds U.S. Patent # 5,090,976. Though the economic downturn of the early 2000s led to the business decision to move 600 production jobs to Malaysia, he is proud of the fact that the company continued to innovate and created 100 new jobs in the UK. Dyson never took government grants in the UK and still created 1,300 jobs. Obviously, not every innovation is a winner nor does every prototype become a commercial success. However, innovation is where Dyson starts.

Can James Dyson's creative passion and spirit of innovation become contagious? Is it possible to infect an entire organizational culture with an entrepreneurial drive? Dyson aims to do that with a supportive culture that motivates employees to take up a good new idea, use it, and do it as quickly as possible. With Dyson producing technology for electronic motors and robotics, the company can even attract young university professors who can find the active structure stimulating and motivating. The company focuses on new graduates, and the average age of employees is 26. Beyond a supportive culture for good new ideas and an innovative youthful culture, what else does Dyson do to stimulate creativity and motivate passionate engagement?

Motivation and Work Behavior

1 Define motivation.

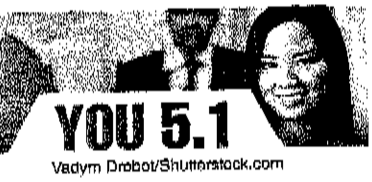
Motivation is the process of arousing and sustaining goal-directed behavior. The word motivation comes from the Latin root word *movere*, which means "to move." Because motivation concerns creating a psychological state, it is one of the more complex topics in organizational behavior.

Motivation theories attempt to explain and predict observable behavior. The wide range and variety of motivation theories result from the great diversity of people and the complexity of their behavior in organizations. Motivation theories may be broadly classified into three theories of motivation: internal, process, and external. Internal theories of motivation give primary consideration to variables within the individual that impact motivation and behavior. The hierarchy of needs theory exemplifies the internal theories. Process theories of motivation emphasize the nature of the interaction between the individual and the environment. Expectancy theory exemplifies the process theories. External theories of motivation focus on the elements in the environment, including the consequences of behavior as the basis for understanding and explaining people's behavior at work. Any single motivation theory explains only a small portion of the variance in human behavior. Therefore, alternative theories have developed over time in an effort to account for the unexplained portions of the variance in behavior.

Internal Needs

Philosophers and scholars have theorized for centuries about human needs and motives. During the past century, attention narrowed to understanding motivation in businesses and other organizations.[3] Max Weber, an early German organizational scholar, argued that the meaning of work lay not in the work itself but in its deeper potential for contributing to a person's ultimate salvation.[4] From this Calvinistic perspective, the Protestant ethic was the fuel for human industriousness. The Protestant ethic said people should work hard because those who prospered at work were more likely to find a place in heaven. You 5.1 lets you evaluate how strongly

motivation
The process of arousing and sustaining goal-directed behavior.



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Prote

Rate the following statements from 1 (for disagree completely) to 6 (for agree completely).

_____ 1. When the workday is finished, people should forget their jobs and enjoy themselves.
_____ 2. Hard work makes us better people.
_____ 3. The principal purpose of people's jobs is to provide them with the means for enjoying their free time.
_____ 4. Wasting time is as bad as wasting money.
_____ 5. Whenever possible, a person should relax and accept life as it is rather than always striving for unreachable goals.
_____ 6. A good indication of a person's worth is how well he or she does his or her job.
_____ 7. If all other things are equal, it is better to have a job with a lot of responsibility than one with little responsibility.
_____ 8. People who do things the easy way are the smart ones.

_____Total your score for the pro-Protestant ethic items (2, 4, 6, and 7).
_____Total your score for the non-Protestant ethic items (1, 3, 5, and 8).

A non-Protestant ethic score of 20 or over indicates you have a strong nonwork ethic; 15–19 indicates a moderately strong nonwork ethic; 9–14 indicates a moderately weak nonwork ethic; 8 or less indicates a weak nonwork ethic.

A pro-Protestant ethic score of 20 or over indicates you have a strong work ethic; 15–19 indicates a moderately strong work ethic; 9–14 indicates a moderately weak work ethic; 8 or less indicates a weak work ethic.

SOURCE: M. R. Blood, "Work Values and Job Satisfaction," *Journal of Applied Psychology* 53 (1969): 456–459.

you have a pro-Protestant versus a non-Protestant ethic. Although Weber, and later M.R. Blood (see You 5.1), both used the term *Protestant ethic*, many see the value elements of this work ethic in the broader Judeo-Christian tradition. We concur.

A more complex motivation theory was proposed by Sigmund Freud. For him, a person's organizational life was founded on the compulsion to work and the power of love.[5] He saw much of human motivation as unconscious by nature. *Psychoanalysis* was Freud's method for delving into the unconscious mind to better understand a person's motives and needs. Freud's psychodynamic theory offers explanations for irrational and self-destructive behavior, such as suicide or workplace violence. The motives underlying such traumatic work events may be understood by analyzing a person's unconscious needs and motives. The psychoanalytic approach also helps explain workplace deviance behavior (WDB), which can have a negative impact on business unit performance.[6] Freud's theorizing is important as the basis for subsequent need theories of motivation. Research suggests that people's deeper feelings may transcend culture, with most people caring deeply about the same few things.[7]

Internal needs and external incentives play an important role in motivation. Although extrinsic motivation is important, so too is intrinsic motivation, which varies by the individual.[8] Four drives or needs underlie employee motivation: to acquire, to bond, to comprehend, and to defend; organizations that meet these needs can improve performance.[9] Intrinsic work motivation is linked to spillover effects from work to home, with mothers transmitting the emotions of happiness, anger, and anxiety from work to home.[10] Interestingly, fathers who have high intrinsic work motivation tended to report greater overall anxiety at home after the workday. Therefore, it is important for managers to consider both internal needs and external incentives

psychoanalysis
Sigmund Freud's method for delving into the unconscious mind to better understand a person's motives and needs.

THE REAL WORLD 5.1

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A Model Manager Motivational Style

Graham is a model manager whose style of motivation was observed as he led a small team of chemical engineers in the multinational European firm Kruger-Bern.* He excelled in four ways. First, Graham established a positive work climate, one event at a time, which set positive behavioral norms for his team. He did this by focusing on the positive in contrast to communicating unrealistic positivity. Second, Graham stayed attuned to the everyday work and progress of his team. This flowed naturally from the positive, nonjudgmental climate that he established. Third, Graham targeted his support based on recent project events and team activity. Each day he anticipated what he might do to make the most positive impact on team members' inner work lives and progress, from being a catalyst to removing an inhibitor or from being a nurturer to being an antidote to toxic events or emotions. Fourth, Graham positioned himself as a resource for team members rather than as a judge, micromanager, or disciplinarian. He did this by checking in with the team and its members, not checking up on them. By being a model manager, Graham recognized the natural internal motivation that people have to do meaningful work and make a positive contribution. His motivational style and behaviors helped his team members see small wins and daily progress versus a cycle of setbacks and inhibiting frustrations.

*Kruger-Bern is a pseudonym to protect the company's confidentiality.

SOURCE: T. M. Amabile and S. J. Kramer, "The power of small wins," *Harvard Business Review* (May 2011): 70–80.

when attempting to motivate their employees. Managers elicit more intrinsic motivation and engagement from their employees when they support them to make progress in meaningful work, as Graham demonstrates in The Real World 5.1.

External Incentives

Early organizational scholars made economic assumptions about human motivation and developed differential piece-rate systems of pay that emphasized external incentives. They assumed that people were motivated by self-interest and economic gain. The Hawthorne studies confirmed the positive effects of pay incentives on productivity and also found that social and interpersonal motives were important.[11] However, there are those who raise the question about where self-interest ends and the public interest begins. For example, public service employees may respond more positively to perceptions of the benefit their agencies provide to the public than to self-interest economic incentives such as merit pay.[12]

Those who made economic assumptions about human motivation emphasized ... political economist and moral phi-

Technology is an important concept in Smith's view because he believed that a nation's wealth is primarily determined by the productivity of its labor force. Therefore, a more efficient and effective labor force yields greater abundance for the nation. Technology is important as a force multiplier for the productivity of labor.[14]

Frederick Taylor, the founder of scientific management, was also concerned with labor efficiency and effectiveness.[15] His central concern was to change the relationship between management and labor from one of conflict to one of cooperation.[16] Taylor believed the basis of their conflict was the division of the profits. Instead of continuing this conflict over the division of profits, labor and management should form a cooperative relationship aimed at enlarging the total profits.

Employee Recognition and Ownership

Modern management practices—such as employee recognition programs, flexible benefit packages, and stock ownership plans—build on Smith's and Taylor's original theories. These practices emphasize external incentives, which may take a strictly economic form such as money or a more material form, such as Outstanding Employee awards, gold watches, and other organizational symbols of distinction. Whataburger, a fast food chain with 700 stores in the Southwest, has developed the WhataGames, in which the best employees compete for bragging rights as well as cash, prizes, and even medals.[17] This corporate Olympics is a training and loyalty exercise that helps significantly reduce turnover and build commitment. One bridge approach to employee motivation that considers both psychological needs and external incentives is psychological ownership. An increasing number of scholars and managers emphasize the importance of feelings of ownership for the organization. One study of 800 managers and employees in three different organizations found that psychological ownership increased organizational citizenship behavior, a key contextual performance beyond the call of duty as discussed in Chapter 3.[18]

Maslow's Need Hierarchy

Psychologist Abraham Maslow proposed a theory of motivation emphasizing psychological and interpersonal needs in addition to physical needs and economic necessity. Maslow's theory was based on a hierarchy of needs. This theory was later applied through Theory X and Theory Y, which were two sets of assumptions about people at work. Maslow's hierarchy was again reformulated in an Existence, Relatedness, Growth (ERG) theory of motivation using a revised, three-tiered classification scheme for basic human needs. The three are Existence needs, Relatedness needs, and Growth needs.

The Hierarchy of Needs

The core of Maslow's theory of human motivation is a hierarchy of five need categories.[19] Although he recognized that there were factors other than one's needs (e.g., culture) that contributed to determining behavior, he focused his theoretical attention on specifying people's internal needs. Maslow labeled the five hierarchical categories as physiological needs, safety and security needs, love (social) needs, esteem needs, and the need for self-actualization. Maslow's *need hierarchy* is depicted in Figure 5.1, which shows how the needs relate to Douglas McGregor's assumptions about people, which will be discussed next.

need hierarchy
The theory that behavior is determined by a progression of physical, social, and psychological needs, including lower-order needs and higher-order needs.

may be thought of as givers. One study of 465 adults found that Benevolents value work outcomes such as benefits because of how the benefits help their family members.[72] Another example of giving is the James Dyson Foundation for philanthropy, as we see in Looking Back. *Entitleds* are people who are comfortable with an equity ratio greater than that of their comparison other, as exhibited by some offspring of the affluent who want and expect more.[73] These people may be thought of as takers.

Research on organizational justice has a long history.[74] One study suggests that a person's organizational position influences self-imposed performance expectations.[75] Specifically, a two-level move up in an organization with no additional pay creates a higher self-imposed performance expectation than a one-level move up with modest additional pay. Similarly, a two-level move down in an organization with no reduction in pay creates a lower self-imposed performance expectation than a one-level move down with a modest decrease in pay. In addition, procedural justice can predict task performance though this effect may be influenced by intrinsic motivation.[76]

One of the unintended consequences of inequity and organizational injustice is dysfunctional behavior. Organizational injustice caused by payment inequity can even lead to insomnia though training in interactional justice reduces these effects.[77] More seriously, workplace injustice can trigger aggressive reactions or other forms of violent and deviant behavior that do harm to both individuals and the organization. Fortunately, only a small number of individuals respond to such unfairness through dysfunctional behavior.[78]

Although most studies of equity theory take a short-term perspective, one should consider equity comparisons over the long term as well. Increasing, decreasing, or constant experiences of inequity over time may have very different consequences for people.[79] For example, do increasing inequity experiences have a debilitating effect on people? In addition, equity theory may help companies implement two-tiered wage structures, such as the one used by American Airlines in the early 1990s. In a two-tiered system, one group of employees receives different pay and benefits than another group. A study of 1,935 rank-and-file members in one retail chain using a two-tiered wage structure confirmed the predictions of equity theory.[80] The researchers suggest that unions and management may want to consider work location and employment status (part-time versus full-time) prior to the implementation of a two-tiered system.

Expectancy Theory of Motivation

7 Describe the expectancy theory of motivation.

valence
The value or importance one places on a particular reward.

expectancy
The belief that effort leads to performance.

instrumentality
The belief that performance is related to rewards.

Whereas equity theory focuses on a social exchange process, V.H. Vroom's expectancy theory of motivation focuses on personal perceptions of the performance process. His theory is founded on two basic notions. First, people desire certain outcomes of behavior and performance which may be thought of as rewards or consequences of behavior. Second, people believe that there are relationships among the effort they put forth, the performance they achieve, and the outcomes they receive. Expectancy theory is a cognitive process theory of motivation.

The key constructs in the expectancy theory of motivation are the *valence* of an outcome, *expectancy*, and *instrumentality*.[81] Valence is the value or importance one places on a particular reward. Expectancy is the belief that effort leads to performance (e.g., "If I try harder, I can do better"). Instrumentality is the belief that performance is related to rewards, (e.g., "If I perform better, I will get more pay").

A model for the expectancy theory notions of effort, performance, and rewards is depicted in Figure 5.5.

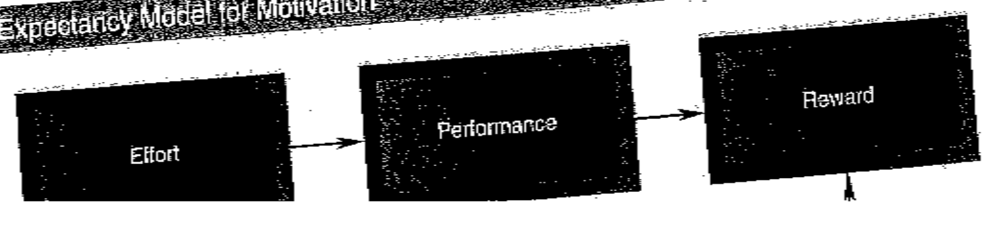
Valence, expectancy, and instrumentality are all important to a person's motivation. Expectancy and instrumentality concern a person's beliefs about how effort, performance, and rewards are related. For example, a person may firmly believe that an increase in effort has a direct, positive effect on performance, and that a reduced amount of effort results in a commensurate reduction in performance. Another person may have a very different set of beliefs about the effort-performance link. The person might believe that regardless of the amount of additional effort put forth, no improvement in performance is possible. Therefore, the perceived relationship between effort and performance varies from person to person and from activity to activity.

In a similar fashion, people's beliefs about the performance-reward link vary. One person may believe that an improvement in performance has a direct, positive effect on the rewards received, whereas another person may believe that an improvement in performance has no effect on the rewards received. Again, the perceived relationship between performance and rewards varies from person to person and from situation to situation. Where people attach symbolic meaning to monetary rewards, a positive effect occurs over and above the reward's economic value.[82] From a motivation perspective, the person's subjective belief about the relationships between these constructs is what is important rather than the objective nature of the relationship. During volatile times in business, the performance-reward linkage may be confusing.

Managers and companies have used expectancy theory to design motivation programs.[83] Sometimes called *performance planning and evaluation systems*, these motivation programs are designed to enhance a person's belief that effort would lead to better performance and that better performance would lead to merit pay increases and other rewards. Valence and expectancy are particularly important in establishing priorities for people pursuing multiple goals when using this approach.[84]

The third key idea of expectancy theory concerns valence. Valence is the value that people place on various rewards. Assuming individuals want rewards, their motivation increases along with their belief that effort leads to performance and performance leads to rewards. One person might prefer salary to benefits, whereas

FIGURE 5.5 An Expectancy Model for Motivation



another person prefers the reverse. People place different values on each reward. In fact, employees vary notably with respect to the link between work and pay as well as in how they value money.[85] Expectancy theory has been studied in a wide variety of organizational contexts. One study found that students were more motivated to study when they believed their effort would lead to higher grades.[86]

Motivational Problems

Within the expectancy theory framework, motivational problems stem from three basic causes: disbelief in a relationship between effort and performance, disbelief in a relationship between performance and rewards, and lack of desire for the rewards offered. Interestingly, defensive pessimism may motivate if the act of worrying triggers an active planning process that reduces anxiety and prevents performance problems.[87]

If the motivational problem is related to the person's belief that effort will not result in performance, the solution lies in altering this belief. The person can be shown how an increase in effort or an alteration in the kind of effort put forth can be converted into improved performance. For example, the textbook salesperson who does not believe more calls (effort) will result in greater sales (performance) might be shown how to strong prospects with higher probability sales from weaker prospects with lower probability sales. When calling upon strong prospects, more calls (effort) could be converted into greater sales (performance).

If the motivational problem is related to the person's belief that performance will not result in rewards, the solution lies in altering this belief. The person can be shown how an increase in performance or a somewhat altered form of performance will be converted into rewards. For example, the textbook salesperson who does not believe greater sales (performance) will result in higher commissions (rewards) might be shown computationally or graphically that a direct relationship does exist. Hence, greater sales (performance) are directly converted into higher commissions (rewards).

If the motivational problem is related to the value the person places on, or the preference the person has for, certain rewards, the solution lies in influencing the value placed on the rewards or altering the rewards themselves. For example, the textbook salesperson may not particularly want higher commissions, given the small incremental gain he would receive at his tax level. In this case, the company might establish a mechanism for sheltering commissions from being taxed or alternative mechanisms for deferred compensation.

Although, the theory has been shown to predict job satisfaction accurately,[88] research results on expectancy theory have been mixed and best by several difficulties.[89] The theory's complexity makes it difficult to test the full model especially because the measures of instrumentality, valence, and expectancy have only weak validity.[90] Additionally, measuring the expectancy constructs is time-consuming; the values for each construct can change over time for each individual. Finally, the theory assumes the individual is rational and acts as a minicomputer, calculating probabilities and values. In reality, human calculations are more complex as they include psychological, emotional, and social factors.

Motivation and Moral Maturity

Expectancy theory would predict that people work to maximize their personal outcomes. This is consistent with Adam Smith's ideas of working for one's own self-interest. Ultimately, Smith and expectancy theorists believe that people work

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DIVERSITY DIALOGUE

Using Cash to Bridge the Achievement Gap

Paying a child $200 to go one month without watching TV? That's the kind of extreme action some parents will take to get their children to cooperate. Bribery? Maybe. Whether called bribery or motivation, the practice of linking monetary incentives with desired behavior has existed for years. Evidence shows providing financial incentives works to change employee behavior. Can similar financial incentives change student behavior?

That's the question Harvard economist Roland Fryer, Jr., set out to answer using a series of experiments in underperforming inner-city elementary schools across the country. Why inner-city schools? According to Fryer, "the average black 17-year-old reads at the same level as the average white 13-year-old." Something had to be done to bridge that gap. Fryer conducted the experiments at elementary schools in four cities: Chicago, Dallas, Washington, and New York. He used various incentives. For example, in New York City, fourth graders could earn a maximum of $25 for good test scores; seventh-graders, 50 dollars. Students in Chicago were paid $50 for each A, $35 for each B, and $20 for each C with a maximum possible "salary" of $2,000 per year. Similar pay-for-performance schemes were tested in Washington and Dallas. Using mostly private funds, Fryer paid 18,000 kids a total of $6.3 million to boost their performance.

As with any experiment, researchers often do not get the results they expect, and Fryer's was the same. The "treatment" had no effect on student performance in one of the cities where he expected the most success. In two of the other cities, his experiment yielded mixed results. Yet in another city, the results exceeded his expectations. Students who were paid all year performed better on standardized tests than those who were unpaid. Fryer's plan did not come without its detractors. While some school officials were willing to try anything new to motivate students to learn, others strongly believed students should learn for learning's sake and not for cash. The fact that Fryer's test subjects were students in predominately minority schools hurt the case. One think-tank scholar called the plan racist.

1. How is using extrinsic measures to motivate students any different from using intrinsic measures if the outcome is the same?
2. Do you believe using financial incentives to improve performance in predominately minority schools is a racist strategy? Why or why not?

SOURCES: A. Ripley, "Should Kids Be Bribed to Do Well in School?" *Time* (April 8, 2010); N.C. Strauss, "Fryer Hopes to Institute Pay for Performance Plan," *The Harvard Crimson* (June 29, 2007).

to benefit themselves. Expectancy theory could not explain or predict altruistic behavior for the benefit of others. Therefore, it may be necessary to consider an individual's *moral maturity* in order to better understand altruistic, fair, and equitable behavior. Moral maturity is the measure of a person's cognitive moral development, which was discussed in Chapter 4. Morally mature people act and behave based on ethical principles, whereas morally immature people act and behave based