CHAPTER 2

Management and Motivation

Nancy H. Shanks

LEARNING OBJECTIVES

By the end of this chapter the student will be able to:

- Frame the context for understanding the concept of motivation, particularly who and what motivates employees;
- Provide an overview of the different theories of motivation;
- Identify extrinsic and intrinsic factors that impact motivation;
- Assess misconceptions about motivation; and,
- Suggest strategies to enhance employee motivation.

INTRODUCTION

Managers are continually challenged to motivate a workforce to do two things. The first challenge is to motivate employees to work toward helping the organization achieve its goals. The second is to motivate employees to work toward achieving their own personal goals.

Meeting the needs and achieving the goals of both the employer and the employee is often difficult for managers in all types of organizations. In health care, however, this is often more difficult, in part as a result of the complexity of healthcare organizations, but also as a function of the wide array of employees who are employed by or work collaboratively with healthcare providers in delivering and paying for care. The types of workers run the gamut from highly trained and highly skilled technical and clinical staff members to relatively unskilled workers. To be successful, healthcare managers need to be able to manage and motivate this wide array of employees.

MOTIVATION—THE CONCEPT

According to *Webster's New Collegiate Dictionary*, a motive is "something (a need or desire) that causes a person to act." **Motivate**, in turn, means "to provide with a motive," and motivation is defined as "the act or process of motivating." Thus, **motivation** is the act or process of providing a motive that causes a person to take some action. In most cases motivation comes from some need that leads to behavior that results in some type of reward when the need is fulfilled. This definition raises a couple of basic questions.

What are Rewards?

Rewards can take two forms. They can be either intrinsic/internal rewards or extrinsic/external ones. **Intrinsic rewards** are derived from within the individual. For a healthcare employee this could mean taking pride and feeling good about a job well done (e.g., providing excellent patient care). **Extrinsic rewards** pertain to rewards that are given by another person, such as a healthcare organization giving bonuses to teams of workers when quality and patient satisfaction are demonstrated to be exceptional.

Who Motivates Employees?

While rewards may serve as incentives and those who bestow rewards may seek to use them as motivators, the real motivation to act comes from within the individual. Managers do exert a significant amount of influence over their employees, but they do not have the power to force a person to act. They can work to provide various types of incentives in an effort to influence an employee in any number of ways, such as by changing job descriptions, rearranging work schedules, improving working conditions, reconfiguring teams, and a host of other activities, as will be discussed later in this chapter. While these may have an impact on an employee's level of motivation and willingness to act, when all is said and done, it is the employee's decision to take action or not. In discussing management and motivation, it will be important to continually remember the roles of both managers and employees in the process of motivation.

Is Everybody Motivated?

As managers, we often assume that employees are motivated or will respond to inducements from managers. While this is perhaps a logical and rational approach from the manager's perspective, it is critical to understand that this is not always the case. While the majority of employees do, in fact, want to do a good job and are motivated by any number of factors, others may not share that same drive or high level of motivation. Those folks may merely be putting in time and may be more motivated by other things, such as family, school, hobbies, or other interests. Keeping this in mind is useful in helping managers understand employee behaviors that seem to be counter-productive.

THEORIES OF MOTIVATION

Psychologists have studied human motivation extensively and have derived a variety of theories about what motivates people. This section briefly highlights the motivational theories that are regularly discussed in management textbooks. These include theories that focus on motivation being a function of 1) employee needs of various types, 2) extrinsic factors, and 3) intrinsic factors. Each set of theories will be discussed below.

Needs-Based Theories of Motivation

- **Maslow's Hierarchy of Need**—Maslow (1954) postulated a hierarchy of needs that progresses from the lowest, subsistence-level needs to the highest level of self-awareness and actualization. Once each level has been met, the theory is that an individual will be motivated by and strive to progress to satisfy the next higher level of need. The five levels in Maslow's hierarchy are
  - **Physiological needs**—including food, water, sexual drive, and other subsistence-related needs;
  - **Safety needs**—including shelter, a safe home environment, employment, a healthy and safe work environment, access to health care, money, and other basic necessities;

- **Belonging needs**—including the desire for social contact and interaction, friendship, affection, and various types of support;
- **Esteem needs**—including status, recognition, and positive regard; and,
- **Self-actualization needs**—including the desire for achievement, personal growth and development, and autonomy.

The movement from one level to the next was termed **satisfaction progression** by Maslow, and it was assumed that over time individuals were motivated to continually progress upward through these levels. While useful from a theoretical perspective, most individuals do not view their needs in this way, making this approach to motivation a bit unrealistic.

- **Alderfer's ERG Theory**—The three components identified by Alderfer (1972) drew upon Maslow's theory, but also suggested that individuals were motivated to move forward and backward through the levels in terms of motivators. He reduced Maslow's levels from five to the following three:
  - **Existence**—which related to Maslow's first two needs, thus combining the physiological and safety needs into one level;
  - **Relatedness**—which addressed the belonging needs; and,
  - **Growth**—which pertains to the last two needs, thereby combining esteem and self-actualization.

Alderfer also added his **frustration-regression principle**, which postulated that individuals would move in and out of the various levels, depending upon the extent to which their needs were being met. This approach is deemed by students of management to be more logical and similar to many individuals' world views.

- **Herzberg's Two Factor Theory**—Herzberg (2003) further modified Maslow's needs theory and consolidated down to two areas of needs that motivated employees. These were termed
  - **Hygienes**—These were characterized as lower level motivators and included, for example, "company policy and administration, supervision, interpersonal relationships, working conditions, salary, status, and security" (p. 5).
  - **Motivators**—These emphasized higher level factors and focused on aspects of work, such as "achievement, recognition for achieve-

ment, the work itself, responsibility and growth or advancement" (p. 5).

Herzberg's is an easily understood approach that suggests that individuals have desires beyond the hygienes and that motivators are very important to them.

- **McClelland's Acquired Needs Theory**—The idea here is that needs are acquired throughout life. That is, needs are not innate, but are learned or developed as a result of one's life experiences (McClelland, 1985). This theory focuses on three types of needs:
  - **Need for achievement**—which emphasizes the desires for success, for mastering tasks, and for attaining goals;
  - **Need for affiliation**—which focuses on the desire for relationships and associations with others; and,
  - **Need for power**—which relates to the desires for responsibility for, control of, and authority over others.

All four of these theories approach needs from a somewhat different perspective and are helpful in understanding employee motivation on the basis of needs. However, other theories of motivation also have been posited and require consideration.

Extrinsic Factor Theories of Motivation

Another approach to understanding motivation focuses on external factors and their role in understanding employee motivation. The best known of these is:

- **Reinforcement Theory**—B.F. Skinner (1953) studied human behavior and proposed that individuals are motivated when their behaviors are reinforced. His theory is comprised of four types of reinforcement. The first two are associated with achieving desirable behaviors, while the last two address undesirable behaviors:
  - **Positive reinforcement**—relates to taking action that rewards positive behaviors;
  - **Avoidance learning**—occurs when actions are taken to reward behaviors that avoid undesirable or negative behaviors. This is sometimes referred to as **negative reinforcement**;

- **Punishment**—includes actions designed to reduce undesirable behaviors by creating negative consequences for the individual; and,
- **Extinction**—represents the removal of positive rewards for undesirable behaviors.

The primary criticism of the reinforcement approach is that it fails to account for employees' abilities to think critically and reason, both of which are important aspects of human motivation. While reinforcement theory may be applicable in animals, it doesn't account for the higher level of cognition that occurs in humans.

Intrinsic Factor Theories of Motivation

Theories that are based on intrinsic or endogenous factors focus on internal thought processes and perceptions about motivation. Several of these are highlighted below:

- **Adam's Equity Theory**—which proposes that individuals are motivated when they perceive that they are treated equitably in comparison to others within the organization (Adams, 1963);
- **Vroom's Expectancy Theory**—which addresses the expectations of individuals and hypothesizes that they are motivated by performance and the expected outcomes of their own behaviors (Vroom, 1964); and,
- **Locke's Goal Setting Theory**—which hypothesizes that by establishing goals individuals are motivated to take action to achieve those goals (Locke & Latham, 1990).

While each of these theories deals with a particular aspect of motivation, it seems unrealistic to address them in isolation, since these factors often do come into play in and are important to employee motivation at one time or another.

Management Theories of Motivation

Other approaches to motivation are driven by aspects of management, such as productivity, human resources, and other considerations. Most notable in this regard are the following:

- **Scientific Management Theory**—Frederick Taylor's ideas, put into practice by the Gilbreths in the film *Cheaper by the Dozen*, focused on studying job processes, determining the most efficient means of performing them, and in turn rewarding employees for their productivity and hard work. This theory assumes that people are motivated and able to continually work harder and more efficiently and that employees should be paid on the basis of the amount and quality of the work performed. Over time, this approach is limited by the capacity of employees to continue to increase the quantity of work produced without sacrificing the quality.

- **McGregor's Theory X and Theory Y**—This approach again draws upon the work of Herzberg and develops a human resources management approach to motivation. This theory first classifies managers into one of two groups. Theory X managers view employees as unmotivated and disliking of work. Under the Theory X approach the manager's role is to focus on the hygienes and to control and direct employees; it assumes that employees are mainly concerned about safety. In contrast, Theory Y managers focus on Herzberg's motivators and work to assist employees in achieving these higher levels. In assessing this theory, researchers have found that approaching motivation from this either/or perspective is short-sighted.
- **Ouchi's Theory Z**—This theory is rooted in the idea that employees who are involved in and committed to an organization will be motivated to increase productivity. Based on the Japanese approach to management and motivation, Theory Z managers provide rewards, such as long-term employment, promotion from within, participatory management, and other techniques to motivate employees (Ouchi, 1981).

While all of these theories are helpful in understanding management and motivation from a conceptual perspective, it is important to recognize that most managers draw upon a combination of needs, extrinsic factors, and intrinsic factors in an effort to help motivate employees, to help employees meet their own personal needs and goals, and ultimately to achieve effectiveness and balance within the organization. Managers typically take into account most of the aspects upon which these theories focus. That is, expectancy, goal setting, performance, feedback, equity, satisfaction, commitment, and other characteristics are considered in the process of motivating employees.

A BIT MORE ABOUT INCENTIVES AND REWARDS

Throughout this chapter we have discussed what motivates employees. As the previous discussion indicates, motivation for employees results from a combination of incentives that take the form of extrinsic and intrinsic rewards. These topics warrant a bit more discussion.

Extrinsic Rewards

There are a host of external things that managers can provide that may serve as incentives for employees to increase their productivity. These include:

- Money—in the form of pay, bonuses, stock options, etc.
- Benefits—also in many different forms, including health insurance, vacation, sick leave, retirement accounts, etc. Increasingly benefits are offered under some form of cafeteria plans, allowing employees flexibility in what can be selected and in the management of their own benefit package.
- Flexible schedules.
- Job responsibilities and duties.
- Promotions.
- Changes in status—conveyed either by changes in job titles or in new and different job responsibilities.
- Supervision of others.
- Praise and feedback.
- A good boss.
- A strong leader.
- Other inspirational people.
- A nurturing organizational culture.

As this list demonstrates, extrinsic rewards are all tangible types of rewards. Intrinsic rewards stand in marked contrast to these.

Intrinsic Rewards

Intrinsic rewards are internal to the individual and are in many ways less tangible. In fact, they are highly subjective, in that they represent how the individual perceives and feels about work and its value. Five types of intrinsic rewards that have been summarized by Manion (2005) include:

- **Healthy relationships**—in which employees are able to develop a sense of connection with others in the workplace.
- **Meaningful work**—where employees feel that they make a difference in people's lives. This is typically a motivator for people to enter and stay employed in the healthcare industry. This type of work is viewed as that in which the meaningful tasks outweigh the meaningless. This reinforces the mantra Herzberg first espoused in 1968, and revisited in a 2003 issue of the *Harvard Business Review*, in which he stated: "Forget praise. Forget punishment. Forget cash. You need to make their jobs more interesting." As paperwork in health care has increased, managers need to be aware that such tasks detract from the meaningfulness quotient.
- **Competence**—where employees are encouraged to develop skills that enable them to perform at or above standards, preferably the latter.
- **Choice**—where employees are encouraged to participate in the organization in various ways, such as by expressing their views and opinions, sharing in decision making, and finding other ways to facilitate participatory approaches to problem solving, goal setting and the like.
- **Progress**—where managers find ways to hold employees accountable, facilitate their ability to make headway towards completing their assigned tasks, and celebrate when progress is made toward completing important milestones within a project.

Intrinsic rewards, coupled with extrinsic ones, lead to high personal satisfaction and serve as motivators for most employees.

MISCONCEPTIONS ABOUT MOTIVATION AND EMPLOYEE SATISFACTION

Managers tend to have many misconceptions about motivation. As healthcare managers, it is important to assess and understand such misconceptions in an effort to become more effective managers and to not perpetuate myths about motivation. For example, research indicates that managers typically make incorrect assumptions about what motivates their employees. Morse (2003) states that "managers are not as good at judging employee motivation as they think they are. In fact, people from all walks of life seem to consistently misunderstand what drives employee motivation." The following is an enumeration of many of these misconceptions.

- *Although I'm not motivated by extrinsic rewards, others are.* This idea is discussed by Morse (2003) in his review of Chip Heath's study of intrinsic and extrinsic rewards. The conclusion is that an "extrinsic incentive bias" exists and is, in fact, wide-spread among managers and employees. That is, individuals assume that others are driven more by extrinsic rewards than intrinsic ones. This has been shown to be a false assumption.
- *All motivation is intrinsic.* Managers need to remember that typically a combination of factors motivates employees, not just one type of extrinsic or intrinsic reward (Manion, 2005, p. 283).
- *Some people just are not motivated.* Everyone is motivated by something; the problem for managers is that "that something" may not be directed toward the job. This creates challenges for managers who must try to redirect the employees' energies toward job-related behaviors (Manion, 2005, p. 283).
- *People are motivated by money.* Compensation motivates only to a point; that is, when compensation isn't high enough or is considered to be inequitable, it's a de-motivator. In contrast, when it is too high, it also seems to be a de-motivator, what Atchison calls the "golden handcuffs," and results in individual performance being tempered to protect the higher compensation level. Generally, employees tend to rank pay as less important than other motivators. This is supported by the 1999 Hay Group study, where 500,000 employees ranked fair pay and benefits as the least important of 10 motivating factors that keep them committed to staying with their companies. The bottom line from Atchison's perspective is that "as soon as money is predictable, it is an entitlement, not a motivator" (2003, p.21).
- *Motivation is manipulation.* Manipulation carries negative implications; in contrast motivation is positive and benefits both management and the employee (Manion, 2005).
- *One-size-fits-all reward and recognition programs motivate staff.* People, being people, are different, act in different ways, and are motivated by different things. Tailoring rewards and recognition is viewed as a way to focus on and understand the individual and his/her unique qualities (Atchison, 2003, p. 21).

- *Motivational people are born, not made.* Studies show that people aren't born to motivate. In fact, Manion states "anyone can become an effective motivator. It simply takes an understanding of the theories and basic principles" (Manion, 2005, p. 284), as well as the desire to develop these skills.
- *There is one kind of employee satisfaction.* Atchison (2003) discusses the pros and cons of "egocentric and other-centered satisfaction" and suggests that in the short run employees respond to specific rewards that they receive personally, but in the longer run they respond to quality performance of the team and the organization. Thus, they migrate from being self-centered to being other-centered in terms of job satisfaction—from a "me" to a "we" mentality.

MOTIVATIONAL STRATEGIES

The literature provides an array of strategies for managers to use in seeking to help motivate individuals. Some of these seem very obvious, while others represent the "tried and true" approaches to management. Still others represent innovations. No matter, they are worth enumerating here.

- *Expect the best.* People live up to the expectations they and others have of them. Henry Ford said it best: "Whether you think you can or you think you can't, you're right!'" (Manion, 2005, p. 292).
- *Reward the desired behavior.* Make sure that rewards are not given for undesirable behaviors and be sure to use many different types of rewards to achieve the desired outcomes (Manion, 2005, p. 295).
- *Create a "FUN (Focused, Unpredictable, and Novel) approach.* Atchison (2003, p. 21) suggests using money for a variety of creative employee rewards, such as giving $50 gift certificates to a shopping center in recognition of employees' exceeding expected patient outcomes.
- *Reward employees in ways that enhance performance and motivate them.* Don't waste money on traditional types of recognition. Though these are viewed as being nice, they don't motivate (Atchison, 2003). Money is better spent on true rewards for specific types of performance and outcomes.
- *Tailor rewards.* As mentioned in the previous section, Atchison (2003) steers managers away from standard types of rewards, such as giving the obligatory Thanksgiving turkey. Instead, he recommends

finding more creative ways to spend the organization's money and reward employees.

- *Focus on revitalizing employees.* Research shows that when employees are working on overloaded circuits motivation is diminished and productivity declines. This is particularly true in healthcare organizations. Hallowell (2005) suggests that managers can help to motivate employees by encouraging them to eat right, exercise regularly, take "real" vacations, get organized, and slow down.
- *Get subordinates to take responsibility for their own motivation.* This can be achieved by managers taking steps to deal with problem employees, to understand employees' needs, to determine what motivates their employees, to engage employees in the problem-solving process, and to really work hard at resolving, rather than ignoring, difficult employee problems (Nicholson, 2003).
- *Play to employees' strengths, promote high performance, and focus on how they learn.* This requires managers to know what their employees' strengths and weaknesses are, to find out what will be required to get specific employees to perform, and to understand how to capitalize on the ways those employees learn as an alternative method of encouraging and motivating them (Buckingham, 2005).

CONCLUSION

Motivation of employees is a tricky business. Managers often do not understand the concepts, principles, and myths about motivation well enough to put them in practice. Managers can improve their success rate by providing extrinsic rewards that will help their employees to be intrinsically motivated to become top performers.

DISCUSSION QUESTIONS

1. Compare and contrast needs-based theories of motivation. Which offers the most value to healthcare managers?
2. Discuss any limitations of the management approaches to motivation.
3. Which types of rewards are more important—intrinsic or extrinsic?

4. Does the importance of different types of rewards change over time as one progresses through one's career?
5. Which myth of motivation is the most important? Are there other myths that you can identify?
6. What motivational strategy would you apply with an employee who you think is capable of doing the work, but is underperforming?
7. What motivational strategy would you apply with a highly effective employee who you want to keep performing at a very high level?

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