# Motivation, Recognition and Reward

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# Session Outline

- Introduction

- Overview – the search for the magic key to performance (or why behavior is at the heart of business)

- Motivation: traditional perspectives

- Motivation: a new perspective – the ABC Model of Human Behavior

- Reinforcement Vs Reward – designing reward systems that work

- Lessons for C & B specialists

- Additional resources

- Learning review and action planning

# The Search for the Magic Key...

- Managers have always wondered how to keep employees motivated and working to full their full potential

- Employees are searching for their ideal work environment:

  - Maximum satisfaction

  - Trustworthy

  - Recognition and appreciation for contributions

  - Opportunity to grow professionally/advance careers

# Importance of Understanding Motivation

- Ultimately, business is all about behavior:

  - People are hired because what needs to be done requires people to **do** it

  - Behavior is the only way anything is accomplished in business

  - Many behaviors occur daily – affecting business directly or fulfilling social needs

  - Managers are typically concerned with:
    - Customer focus… More /Less/Different
    - Communication responsiveness… More/Less/Different
    - Creativity/ innovativeness…More/Less/Different
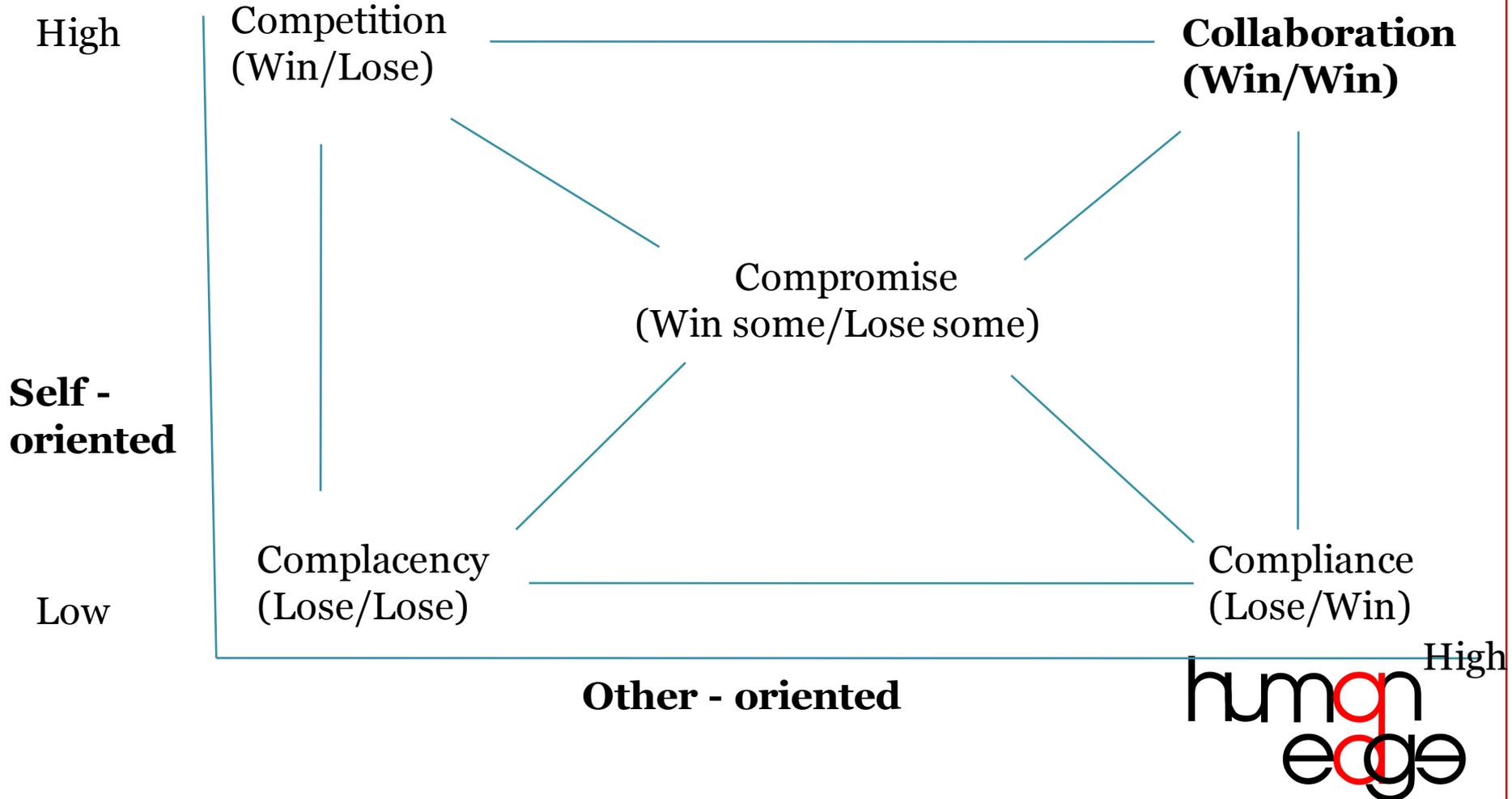
# In business, collaboration is often the key…

- In business, very little can be achieved through individual effort…collaboration is the name of the game

- **Collaboration**: the set of human behaviors that create the best possible win for all parties concerned

- People at work act across two dimensions of interest:

  - Self-oriented
  - Other-oriented

# Collaboration – the Win/Win Solution

High **Competition** **Collaboration**
(Win/Lose) **(Win/Win)**

**Self -**
**oriented**

Compromise
(Win some/Lose some)

Complacency Compliance
(Lose/Lose) (Lose/Win)

Low

High

**Other - oriented**

# But, the problem with collaboration is that...

- People cannot be made to collaborate and...

- Command and control methods just don't work very well

- **The challenge**: understanding what drives human behavior so that we can create the conditions necessary to encourage desired behavior e.g. where people:

  - *Want* to focus on the customer
  - *Want* to collaborate
  - *Want* to perform value-added activities
  - *Want* to increase their speed, responsiveness...etc

# So, what must managers do?

- Managers must learn to create workplace environments that *positively influence the critical behaviors required to achieve results*

- **Motivating***:* the work a manager performs to encourage and compel people to take required action.

- **Reward system**: any process within an organization that encourages, reinforces, or compensates people taking a particular set of actions. It may be formal or informal, cash or non-cash, immediate or delayed.

# Motivating: a closer look

- Motivating - the work a manager performs to motivate, encourage and compel people to take required action

- What motivates people hotly debated for centuries

- Several theories exist:

  - Maslow's Hierarchy of Human Needs
  - McGregor's Theory X and Theory Y
  - Herzberg's Hierarchy of Needs
  - ABC Model of Human Behavior

# Maslow's Hierarchy of Human Needs

- Theory developed by Abraham Maslow in the '60s

- Attempts to classify *needs* i.e. internal drives for satisfaction that give rise to human behavior

- Maslow postulated that when one need is satisfied, others manifest

- A higher priority need will dominate behavior until at least partially satisfied

# Maslow's Hierarchy of Human Needs
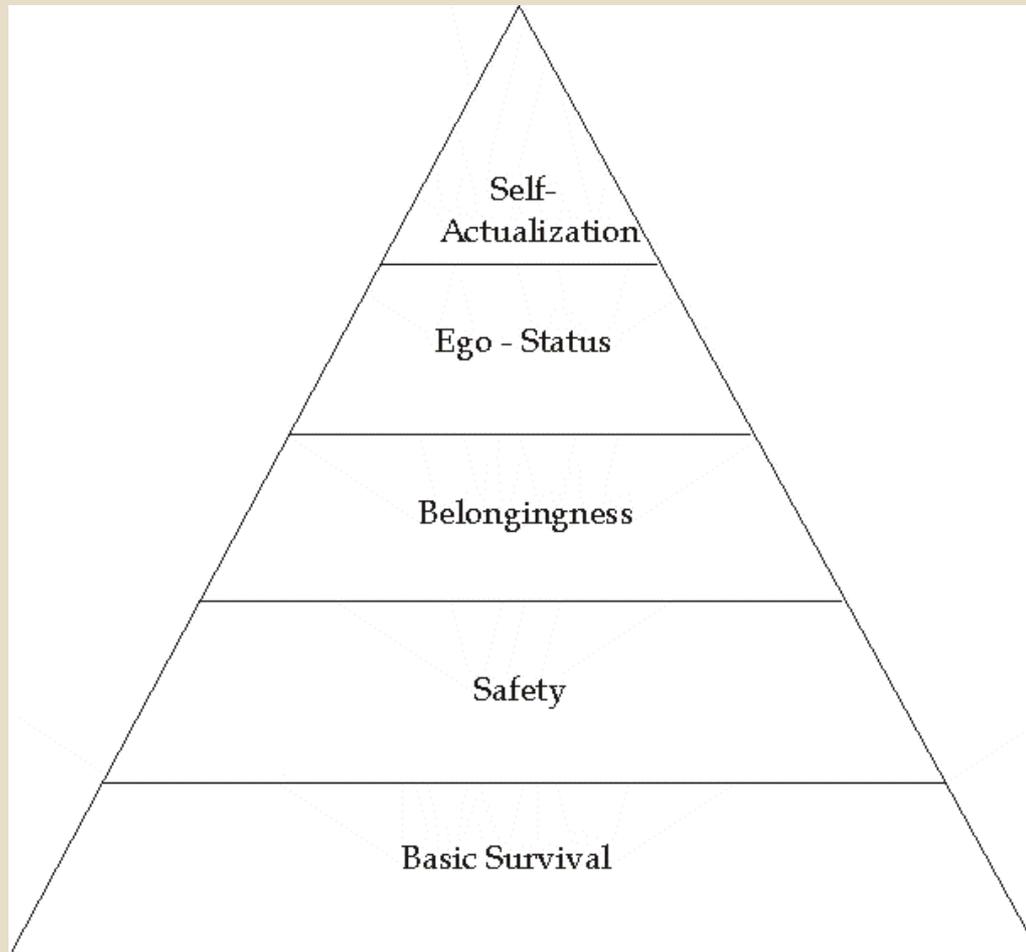
# The Hierarchy of Human Needs

- Human needs classified into categories according to their priorities for satisfaction:

  - *Self-actualization needs*: grow and expand personal horizons

  - *Ego-status needs*: to feel significant, effectual and competent; to have self –esteem

  - *Belongingness (social) needs*: to be accepted by others

  - *Safety needs*: to know one's survival is not in jeopardy

  - *Basic (survival) needs*: air, water, food, shelter

# Douglas McGregor's Theory X and Theory Y

- Developed as a means of approximating and comparing basic manager assumptions about people in organizations

- Theory X:

  - Average person dislikes work and will avoid it if he can; must be threatened before he puts forth effort; is self-centered; and resistant to change

- Theory Y:

  - Work is as natural as play; people will work towards org. goals without threat or punishment if they believe in the objectives; *degree of commitment will depend on rewards associated with their achievement*

- McGregor's real value is in asking managers to examine their assumptions about human behavior

# Theory X & Theory Y Comparison

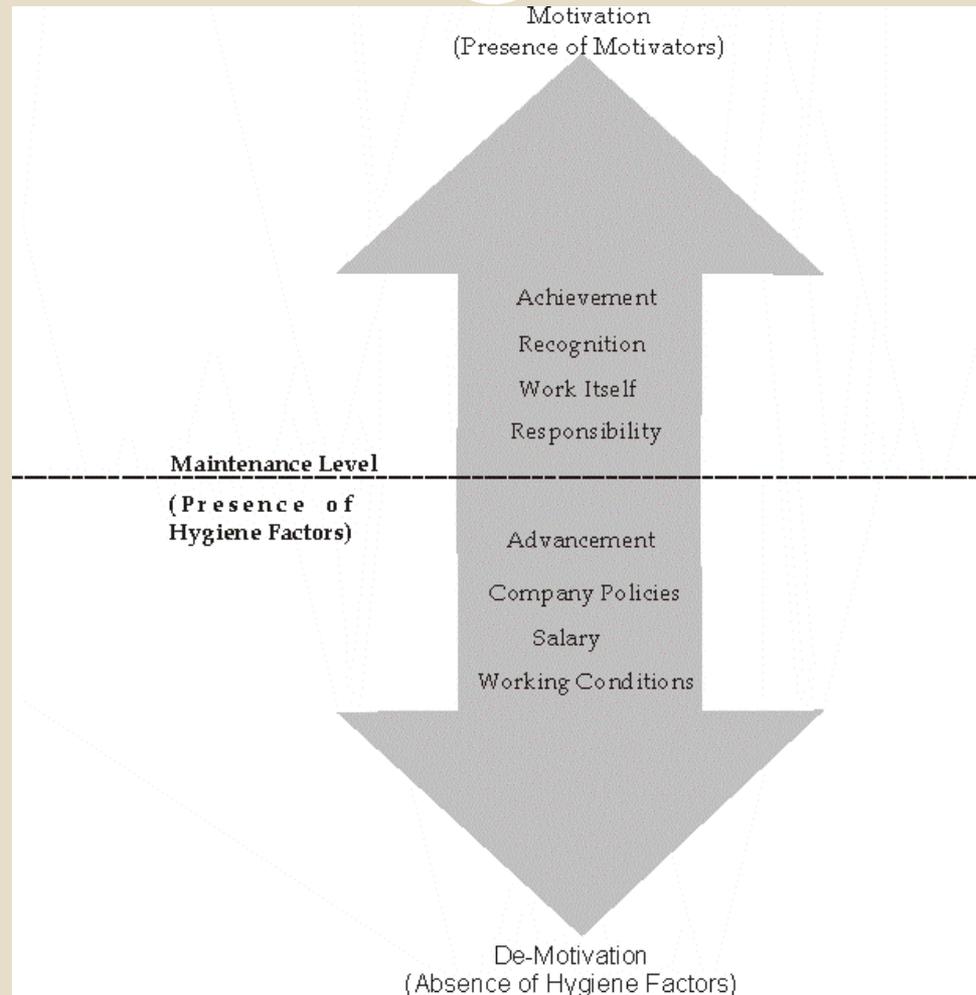| ASSUMED ATTITUDE OF EMPLOYEES TOWARD: | MANAGER'S THEORY | |
|---|---|---|
| | **THEORY X** | **THEORY Y** |
| Organizational Objectives | Indifferent to them | Will work towards them if they perceive rewards associated with doing so |
| Responsibility | Will avoid if possible | Will accept responsibility if they are rewarded for acting responsibly |
| | Prefer to be directed | Capable of self-direction towards objectives that are valuable to them |
| Work | Dislike all forms of work | Consider work as natural as play if they associate rewards with working |
| Rewards | Want money and security. More pay will produce more work | Behave in ways that seek to satisfy a variety of needs |
| Appropriate Means for Dealing with Employees | Coercion, pressure, threat of punishment. Well-specialised tasks and close control. Pay and monetary incentives | Establish a work environment in which employees can realize recognition, challenge, satisfaction of achievement, etc |

# Frederick Herzberg᾽s Motivation/Hygiene Concept

- Model seeks to assess a manager᾽s options for influencing employee motivation and performance

- Model identifies two categories of job factors that influence workers:

  o Hygiene

  o Motivation

# Herzberg's Motivation/Hygiene Concept

Motivation
(Presence of Motivators)

Achievement

Recognition

Work Itself

Responsibility

**Maintenance Level**

**(Presence of Hygiene Factors)**

Advancement

Company Policies

Salary

Working Conditions

De-Motivation
(Absence of Hygiene Factors)

# Hygiene Factors

- Conditions ("pain relievers") required by employees to maintain good social, mental and physical health:

  ○ Pay

  ○ Fringe benefits

  ○ Safe and comfortable working space

# Motivation Factors

- Conditions ("reward producers") leading employees to apply more of their efforts to their jobs:

  - Positive feedback

  - Increased responsibility

  - Greater opportunity

  - More challenging work

  - Recognition

  - Increased status

- M/H concept classifies *pay* as a factor of hygiene – does not increase commitment to job performance

- Suggests motivation factors are more reliable because of their psychological influence

- Herzberg argues that organization's err by considering motivation as something the manager *does* to the employee

# Motivation: an Alternate View – the ABC Model of Human Behavior

- 1930s – American behaviorists studied behavior in animals

- B.F. Skinner succeeded in 'teaching' a rat to push a lever by providing it with food every time it did so:

  - Cause of the original (or first-time/antecedent) action was unclear

  - **Each time** the rat performed the **behavior of lever-pushing**, it was **immediately rewarded with food** (i.e. the consequence of the behavior)

  - After several "rewards" – rat made connection between lever -pushing and eating...and **continued to perform the behavior**...so as to **continue to reap the reward**

# Skinner's conclusion was that...

- The rat had "learnt" a previously unknown behavior simply because that behavior **made a difference in its life**

- Further experiments on higher species (including humans) produced similar results

- Critical variable in all experiments was the *Consequences*

- *Key Learning/Discovery: by controlling the consequences of a behavior, you could change the behavior itself*

# The Big Lesson?

- To change or improve a person's performance, you don't have to know the "reasons" behind his/her current performance (i.e. behavior)…

  . . . Performance/behavior can be altered simply by modifying the attendant consequences

# The ABC Model of Human Behavior

- Recognizes 4 major elements that drive human behavior:

1. **Antecedents**: things that prompt us to take an action, occur before a certain behavior, or get the behavior started

2. **Behavior**: an observable action; anything that people say or do

3. **Competencies**: the knowledge, skills, and abilities that enable people to perform certain tasks

\* Competencies are not behaviors - they are the abilities that enable a behavior to occur

4. **Consequences**: things that happen to a person when certain actions or behaviors are performed; provide the reason for repeating (or not repeating) a specific behavior again

# Four Types of Consequences

- **Positive Reinforcement**

  o Occurs when people receive something of value for what they have accomplished

  o Encourages people to take action because they want to; because they get something of value – internally or externally

- **Negative Reinforcement**

  o Occurs when a person does something only to avoid something unpleasant; to prevent an adverse consequence

- **Punishment**

  o Occurs when people receive undesirable attention for something they have done or failed to do
  o Typically stops the behavior that bought on the punishment

- **Extinction**

  o Occurs when people do not receive something they were expecting from an action they have taken
  o Usually occurs when a behavior that has been reinforced in the past begins to be ignored

# In ABC - Positive Reinforcement Works Best

- **Reinceforcement**: The increasing likelihood that a behavior will be performed, or the intensity with which it is performed

- ABC Theory emphasizes positive reinforcement as the best means of achieving desired behavior:

  - **Specific**: recipients must know exactly what they did well in order for the consequence to have the desired impact

  - **Personalized**: consequence must be meaningful to the individual e.g. needs, wants or expectations

  - **Contingent**: reinforcers need to be earned if recipients are to draw the right connection between action and reinforcement

  - **Sincere**: consequences must be perceived as honest, deserved

  - **Immediate**: consequences should be delivered either during the new behavior or ASAP after its achievement

# Reinforcement Vs Reward

- **Reward system**: any process within an organization that encourages, reinforces, or compensates people taking a particular set of actions. It may be formal or informal, cash or non-cash, immediate or delayed

- If a reward is provided immediately after a behavior it also serves as a reinforcer

- The most commonly used "rewards" are delayed or available only at a future date:

  - Base pay/merit increases
  - Promotions
  - Variable or incentive pay – bonuses, commissions, profit-sharing
  - Equity /stock offers
  - Special recognition - employee of the month, one-off accomplishments, etc

# Reinforcement and S.M.A.R.T. Criteria

- Popular S.MA.R.T. acronym identifies 5 criteria for effective reward systems:

| Positive Reinforcement | S.M.A.R.T. Criteria | Description |
| --- | --- | --- |
| Specific | Specific | Focused on desired behaviors |
| Personalized | Meaningful | Reward is seen as "valuable" |
| Contingent | Achievable | Results seen as achievable |
| Sincere | Reliable | Rewards are based on actions or results |
| Immediate | Timely | Rewards are as timely as necessary to reinforce desired behaviors |

# Fortunately, Multiple Reinforcers are Available

| Verbal / Social | Work-related |
|---|---|
| Specific compliments<br>Recognition<br>Commendation letters<br>Award dinners<br>Celebration lunches/activities | Promotions<br>Special development plans<br>Programs/projects<br>Increased decision authority'<br>Increased control over resources<br>Access to top executives<br>More challenging assignments |
| **Tangible/ Symbolic** | **Monetary** |
| Trophies/Plaques<br>Work-related tools and equipment/office equipment<br>Personal items of interest (e.g. trips, time-off)<br><br>Source: Innovative Reward Systems for the Changing Workplace, T.B. Wilson | Special recognition awards<br>Individual bonuses and commissions<br>Group incentives<br>Pay increases based on merit |

# Why Hasn't the ABC Model Gained More Recognition?

- Fears and anxieties of traditional psychiatrists

- Humanists – people are not rats and should not be manipulated

- Managers are only too happy to place the blame for non-performance on the employee's unreachable/unreadable internal states

# Lessons for Compensation and Benefits Specialists

- Ultimately, business is all about the behavior of people at work

- C & B specialists and their organizations must focus on creating the conditions that motivate people to want to give their best at all times - not just on attraction and retention

- The ABC model of human behavior provides C&B specialists with an action-oriented tool for designing reward programs

- The full range of reinforcers/rewards must be used – different strokes for different folks!

# Additional Resources

1. ***Innovative Reward Systems for the Changing Workplace***: Thomas B. Wilson, McGraw-Hill, Inc. New York, 1994.

2. ***Bringing Out the Best in People***: Aubrey C. Daniels, McGraw-Hill, Inc. New York, 1994

# . . . Thank You!