

# **Motivation**

**Subject: Commerce**

**Lesson: Motivation**

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# Motivation

## Table of Contents

- Chapter 22: Motivation
  - 22.0: Introduction
  - 22.1: Concept, Nature and Importance of Motivation
    - 22.1.1: Meaning and Definition of Motivation
    - 22.1.2: Nature of Motivation
    - 22.1.3: Importance of Motivation
    - 22.1.4: Types of Motivators
  - 22.2: Process of Motivation
    - 22.2.1: Process
    - 22.2.2: Figure
  - 22.3: Abraham Maslow's Need Hierarchy Theory
    - 22.3.1: Theory
    - 22.3.2: Critical Analysis
  - 22.4: Frederick Herzberg's Two Factor Theory
    - 22.4.1: Theory
    - 22.4.2: Difference between Hygiene Factors and Motivators
    - 22.4.3: Critical Analysis
    - 22.4.4: Comparison of Maslow's and Herzberg's Theory
  - 22.5: Douglas McGregor's Theory X and Theory Y
    - 22.5.1: Theory
    - 22.5.2: Implications of the Theory
  - 22.6: William Ouchi's Theory Z
    - 22.6.1: Theory
    - 22.6.2: Benefits
    - 22.6.3: Limitations
    - 22.6.4: Comparison of Theory X and Theory Y with Theory Z
  - Summary
  - Exercises
  - Glossary
  - References

# Motivation

## Learning Outcomes

After you have read this chapter, you should be able to

- define motivation
- list different types of motivation theories
- understand the concept of motivation and its relevance to the manager
- understand the factors affecting employee productivity
- apply the understanding of different motivation theories to enhance the contribution of the employees in different work situations



# Motivation

## 22.0 Introduction

**Figure 22.1 Motivation**



Source- <http://www.self-helpmotivation.com/wp-content/uploads/2010/06/motivation2.jpg>

Motivation can be described as a force to drive a person to action. In business context, it means inspiring workers to perform tasks willingly towards accomplishment of organizational goals. In this chapter you will learn that it is very important for the managers to understand the human behavior. In order to be successful managers should not only be able to know the reasons for past behavior of the employees, but should also be able to predict the future behavior so that they can control it appropriately. Various theories described in this chapter will help you gain an insight into the contributions made by the pioneers in the field of motivation. Their findings still continue to shape our understanding of human behavior.

# Motivation

## 22.1 Concept, Nature and Importance of Motivation

<b>Value addition 22.1.1: Focus of the Section</b>
<b>22.1 Concept, Nature and Importance of Motivation</b>
This section gives the meaning of motivation. It describes the nature and importance of motivation. It also introduces types of motivators. The purpose of this section is to familiarize you with the concept of motivation and enable you to understand what motivates an employee in a work situation.

### 22.1.1 Meaning and Definition of Motivation

The word motivation was derived from the Latin word 'movere' (meaning 'to move'). A brief selection of representative definitions will indicate the more appropriate meaning of the term motivation.

"Motivation is the force that energizes behavior, gives direction to behavior and underlies the tendency to persist."  
-Steers and Porter

"Motivation describes how behavior gets started, is energized, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organisms while all this is going on."  
-Tones

"Motivation is a general term applying to the entire class of drives, desires, needs, wishes and similar forces. To say that managers motivate their subordinates is to say that they do those things which they hope will satisfy these drives and desires and induce the subordinates to act in the desired manner."  
-Welhrich and Koontz

A close scrutiny of these definitions will highlight three very important aspects of motivation. These are:

- What energizes human behavior,
- What directs or channelizes such behavior, and
- How this behavior is maintained or sustained.

**Figure 22.2 Motivation as the key to success**



Source:

[http://www.google.co.in/imgres?imgurl=http://www.getentrepreneurial.com/images/motivate-for-success.gif&imgrefurl=http://www.getentrepreneurial.com/2007/09/&usq=DCQjQ3E3IYJVRcRObUWJxGiPZG4=&h=274&w=384&sz=43&hl=en&start=0&zoom=1&tbid=iMKFZvyaMOPA3M:&tbnh=122&tbnw=163&prev=/images%3Fq%3Dimportance%](http://www.google.co.in/imgres?imgurl=http://www.getentrepreneurial.com/images/motivate-for-success.gif&imgrefurl=http://www.getentrepreneurial.com/2007/09/&usq=DCQjQ3E3IYJVRcRObUWJxGiPZG4=&h=274&w=384&sz=43&hl=en&start=0&zoom=1&tbid=iMKFZvyaMOPA3M:&tbnh=122&tbnw=163&prev=/images%3Fq%3Dimportance%3F)



# Motivation

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## **22.1.3 Importance of Motivation**

Motivated employees are satisfied and they work to satisfy the organizational needs also. This increases the efficiency of the organizational activities. Motivation promotes communication between managers and workers. As the managers ascertain the prime needs of the employees and try to fulfill them through motivation, motivation helps in fulfilling the personal needs of the employees as well. Effective motivation combines ability of the employees with willingness to work and thereby maximizes their potential to work. It also helps in reducing the rate of labour absenteeism and turnover as satisfied employees tend to be committed to the organization. Efficient leaders get developed when managers motivate, guide and lead the employees.

**Figure 22.4 Motivation develops effective Leaders**



Source:

[http://www.google.co.in/imgres?imgurl=http://i2.squidoocdn.com/resize/squidoo\\_images/250/draft\\_lens8736481module76290151photo\\_1262037426motivation-300x300.jpg&imgrefurl=http://www.squidoo.com/importanceofmotivation&usq=\\_MT\\_4F7W70YxZTHSov9ZIBwFSNZo=&h=250&w=250&sz=35&hl=en&start=15&zoom=1&tbnid=kMXenlpfnyKKJM:&tbnh=111&tbnw=111&prev=/images%3Fq%3Dimportance%2Bof%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1](http://www.google.co.in/imgres?imgurl=http://i2.squidoocdn.com/resize/squidoo_images/250/draft_lens8736481module76290151photo_1262037426motivation-300x300.jpg&imgrefurl=http://www.squidoo.com/importanceofmotivation&usq=_MT_4F7W70YxZTHSov9ZIBwFSNZo=&h=250&w=250&sz=35&hl=en&start=15&zoom=1&tbnid=kMXenlpfnyKKJM:&tbnh=111&tbnw=111&prev=/images%3Fq%3Dimportance%2Bof%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1)

## **22.1.4 Financial and Non-Financial motivators**

Financial motivators are normally used to satisfy employee's lower-order needs. They are tangible and directly influence individual and organizational performance. However non-financial motivators are meant to satisfy higher-order needs. They are intangible benefits that indirectly influence individual and organizational performance.

**Value addition 22.1.2: Activity**

# Motivation

<p><b>Motivating Factors</b></p> <p>If you were given some job, what would motivate you to do it better? You may make a list of such factors and then compare them with those of your friends. A list of few possible elements is also given below. Kindly refer to it only after you have initially taken up this exercise.</p> <p><i>Your response for what would motivate you if you were given a job may include one or more of these:</i></p> <p><i>Salary, achievement, the work itself, responsibility, scope of advancement, friendly supervision, good interpersonal relations with co-workers, pleasant working conditions, etc.</i></p>
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<p><b>Value addition 22.1.3: Check Your Comprehension</b></p>		
<p><b>22.1 Concept, Nature and Importance of Motivation</b></p>		
<p>A manager in a firm introduces incentives for meeting targets set for the forthcoming week. He e-mails the new scheme of incentives personally to his team members and inspires them to achieve the laid targets. Do you think he is trying to motivate his team?</p> <p><i>Hint: Yes, you are right. He uses financial incentive to motivate his team towards a common endeavor.</i></p> <p><b>Pick the option that best suits.</b></p> <p><b>This section...</b></p>		
<p><b>Completely understood</b></p>	<p><b>Partially Understood</b></p>	<p><b>Not understood</b></p>
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<p><b>Move on to next section</b></p>	<p><b>Move on to next section but note that you need to revise this.</b></p>	<p><b>You need to re read this and discuss it with your batch mates.</b></p>

<p><b>Value addition 22.1.4: Test Yourself</b></p>
<p><b>22.1 Concept, Nature and Importance of Motivation</b></p>
<ol style="list-style-type: none"> <li>1. Define motivation.</li> <li>2. Write three keywords that should be a part of the definition of motivation.</li> <li>3. Define financial and non-financial motivators. Give two examples for each.</li> <li>4. What is the importance of motivation?</li> </ol>

## 22.2 Process of Motivation

<p><b>Value addition 22.2.1: Focus of the Section</b></p>
<p><b>22.2 Process of Motivation</b></p>
<p>This section gives a brief introduction about the basic inputs in the process of motivation. These inputs are also called elements of motivation process. The Knowledge of these elements will help you understand the concept of motivation and the theories that follow.</p>

### 22.2.1 Process of Motivation

# Motivation

Motivation can be described as a force to drive a person to action. It is an attempt to energize, channelize and sustain people's behavior by understanding employees' needs and wants and integrating these factors with the goals and objectives of the company. For example, praising someone's work will make them feel needed and wanted, but this has to be done with caution as doing it too often or without meaning it can have a negative affect.

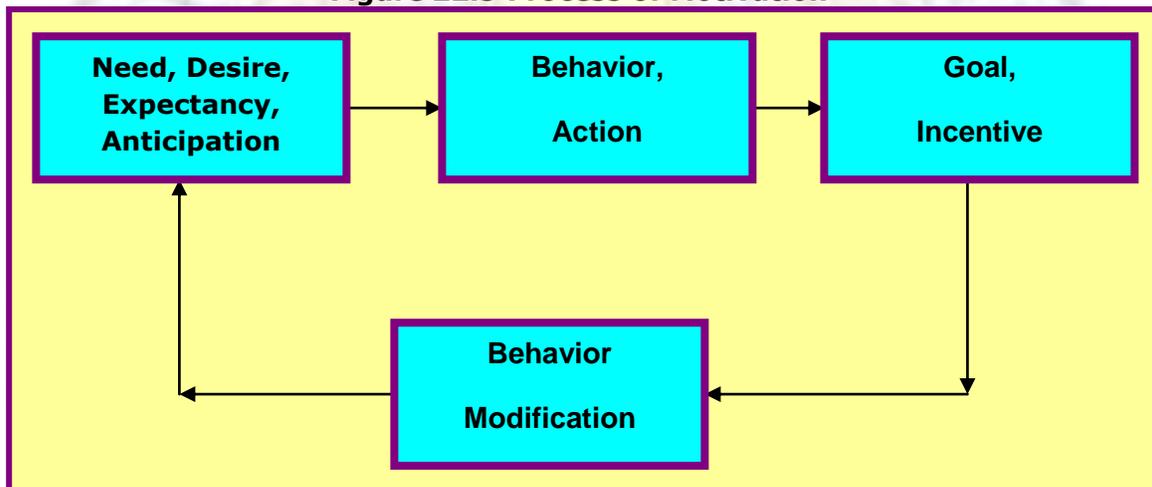
In order to know what will make an employee work at their peak levels, it becomes important to determine what will motivate them.

A simple motivational model may be built on one or more of the following inputs:

- Needs or expectations of employees
- Behavior or action on the job
- Goals or incentives perceived important by employees
- A mechanism of feedback that may modify the inner state of an individual or his behavior.

## 22.2.2 Figure of Process of Motivation

Figure 22.5 Process of Motivation



### Value addition 22.2.2: Activity

#### Process of Motivation

Arrange the following acts in order of sequence according to the process of motivation:

- Venturing into the search of information.
- Attaining satisfaction so that the individual is relieved of the tension.
- Creation of anxiety, which inspires the person to forget everything else and cater to the aroused need. Creation of drives and attitudes with respect to the level of satisfaction expected.
- Taking an action.
- An urgent need that is felt makes the bearer to venture in search of its fulfillment.
- A person feeling lack of something.
- Evaluation of alternatives and choosing the best alternative.

*Hint:*

1. A person feeling lack of something.

## Motivation

- An urgent need that is felt makes the bearer to venture in search of its fulfillment.
  - *Creation of anxiety, which inspires the person to forget everything else and cater to the aroused need. Creation of drives and attitudes with respect to the level of satisfaction expected.*
2. *Venturing into the search of information.*
  3. *Evaluation of alternatives and choosing the best alternative.*
  4. *Taking an action.*
  5. *Attaining satisfaction so that the individual is relieved of the tension.*

<b>Value addition 22.2.3: Check Your Comprehension</b>		
<b>22.2 Process of Motivation</b>		
Arrange the following inputs to describe the process of motivation: behavior, need, modified behavior and incentives. <i>Hint: need, behavior, incentive and modified behavior.</i>		
<b>Pick the option that best suits.</b>		
<b>This section...</b>		
<b>Completely understood</b>	<b>Partially Understood</b>	<b>Not understood</b>
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<b>Move on to next section</b>	<b>Move on to next section but note that you need to revise this.</b>	<b>You need to re read this and discuss it with your batch mates.</b>

<b>Value addition 22.2.4: Test Yourself</b>
<b>22.2 Process of Motivation</b>
1. Describe the process of motivating an employee to work overtime during peak demand.

## 22.3 Maslow's Need Hierarchy Theory of Motivation

<b>Value addition 22.3.1: Focus of the Section</b>
<b>22.3 Maslow's Need Hierarchy Theory of Motivation</b>
This section will make you aware of the motivation theory by Abraham Maslow. He identified different sets of needs in a hierarchical order. He believed that a need at a particular level motivates an individual. Then the individual performs an action to satisfy it. Once it is satisfied a new higher level need emerges. Have you ever experienced a set of needs driving you in a hierarchical form? For example, in class XII, you may have aspired for proper food, rest and a study schedule, a secure health and security of getting continued assistance in studies, need to discuss topics with peer, recognition for achieving good marks and probably admission in your dream college and opportunity for pursuing your aspired course. Such a need hierarchy has been propounded by Abraham Maslow. The purpose is to make you understand that an individual is motivated by a particular set of needs from a given hierarchy of needs.

# Motivation

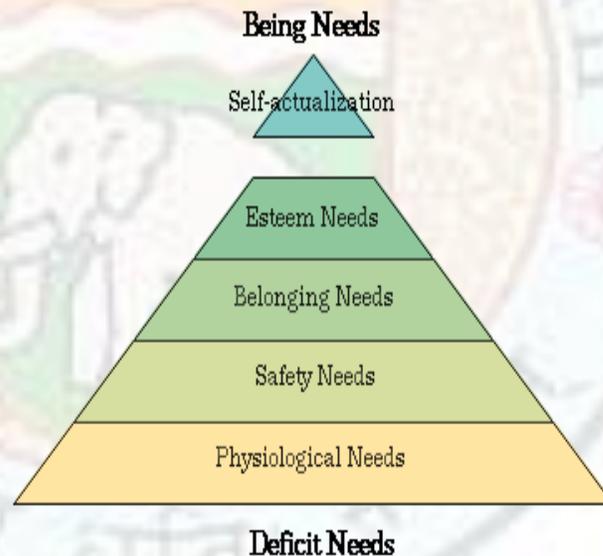
## 22.3.1 Maslow's Theory of Motivation

Abraham Harold Maslow was born April 1, 1908 in Brooklyn, New York. Maslow noticed many interesting things while he worked with monkeys early in his career. One of them was that some needs take precedence over others. For example, if you are hungry and thirsty, you will work to fulfill the thirst first. Maslow's theory of hierarchy of needs is based on this very idea. Beyond the details of air, water, food, and sex, he laid out five broader layers: the physiological needs, the needs for safety and security, the needs for love and belonging, the needs for esteem, and the need to actualize the self, all in that specific order.

Maslow's hierarchy of needs is often depicted as a pyramid consisting of five levels, among which there is a broad categorization for lower level needs and higher level needs. The first four are described as lower level needs and are grouped together as deficiency needs, while the top level is termed as a higher level need as is grouped as a growth need.

Further the lower level needs or the deficiency needs are associated with physiological needs, whereas the higher level needs or the growth needs are associated with psychological needs.

**Figure 22.6 Abraham Maslow and Maslow's Need Hierarchy**



Source:

<http://www.nndb.com/people/166/000032070/abraham-maslow.jpg>  
[http://home.ubalt.edu/ntsbarsh/opre640/Maslow\\_Hierarchy.Gifrevised&h=361&w=500&sz=73&hl=en&start=43&tbnid=IQnV5RjmAPvt8M:&tbnh=94&tbnw=130&prev=/images%3Fq%3Dmaslow%2Bneed%2Bhierarchy%26start%3D40%26gbv%3D2%26ndsp%3D20%26hl%3Den%26safe%3Dvss%26sa%3DN](http://home.ubalt.edu/ntsbarsh/opre640/Maslow_Hierarchy.Gifrevised&h=361&w=500&sz=73&hl=en&start=43&tbnid=IQnV5RjmAPvt8M:&tbnh=94&tbnw=130&prev=/images%3Fq%3Dmaslow%2Bneed%2Bhierarchy%26start%3D40%26gbv%3D2%26ndsp%3D20%26hl%3Den%26safe%3Dvss%26sa%3DN)

According to Maslow, Deficiency needs must be met first. Once these needs are satisfied, a person starts seeking to satisfy growth needs for his/her personal growth. The higher needs in this hierarchy become relevant only when the lower

# Motivation

needs in the pyramid are satisfied. Also Maslow suggests that once an individual has moved upwards to the next level, needs in the lower level cease to influence his behavior. If a lower set of needs is no longer being met, the individual will temporarily re-prioritize those needs by focusing attention on the unfulfilled needs, but will not permanently regress to the lower level. For instance, a businessman (at the esteem level) who is diagnosed with some viral/influenza will spend a great deal of time concentrating on his health (physiological needs), but will continue to value his work performance (esteem needs) and is likely return to work during periods of remission.

**Deficiency needs** – In the pyramid of needs as described by Maslow, the first four layers are what he called "deficiency needs" or "D-needs". Not meeting such needs creates anxiety whereas meeting such needs may not make a person feel any different.

The deficiency needs are:

1. **Physiological needs** - The physiological needs of any individual shall take first precedence. Such needs include need for things like food, warmth, shelter, sex, water, and other physical needs. Other needs remain inactive until such needs are satisfied. For example, if a person feels hunger or thirst, his energies turn toward remedying such deficiencies; if a person is ill, all his energies work to restore the balance of his body. It is quite true that "Man lives by bread alone — when there is no bread". If some needs are not fulfilled, a human's physiological needs take the highest priority. Physiological needs thus can be said to control thoughts and behaviors, and can cause people to feel discomfort, sickness or pain.
2. **Safety needs** – These needs begin to dominate the individual's behavior only when his physical needs relatively satisfied. Such needs are related to man's desire for a certain amount of safety and security in his life; his aspiring for a predictable and consistent environment where injustice and inconsistency are under control, the familiar is frequent, and the unfamiliar is rare. If you now consider the world of work, this safety needs manifest themselves in such things as a preference for job security, grievance procedures for protecting the individual from unilateral authority, savings accounts, insurance policies, and the like. For the people who are affluent and live in relatively lawful societies, most part of physiological and safety needs are reasonably well satisfied. However, people outside the mainstream — the poor, the disadvantaged, and members of minority groups have to struggle to satisfy the basic physiological and safety needs. Since they are primarily concerned with survival, the need for obtaining adequate food, clothing, shelter, and seeking justice from the dominant societal groups become more prominent. Needs such as personal security from crime, security against company lay-offs, general health and well-being of employees and safety against accidents/illness will form a part of safety needs.
3. **Love/Belonging/Social needs** – The third layer of human needs after physiological and safety needs are fulfilled is social. This is related to the psychological aspect of humans. Maslow's hierarchy involves emotionally-based relationships in general, such as friendship, sexual intimacy, having a supportive and communicative family. Humans need to feel a sense of belonging and acceptance. Such belongingness may be felt by being a member of a large social group (such as clubs, office culture, religious groups, professional organizations, sports teams), or from small social connections (family members, intimate partners, mentors, close colleagues, confidants). Every individual needs to love and be loved by others. The absence of these

## Motivation

factors may make many people susceptible to loneliness, social anxiety, and depression.

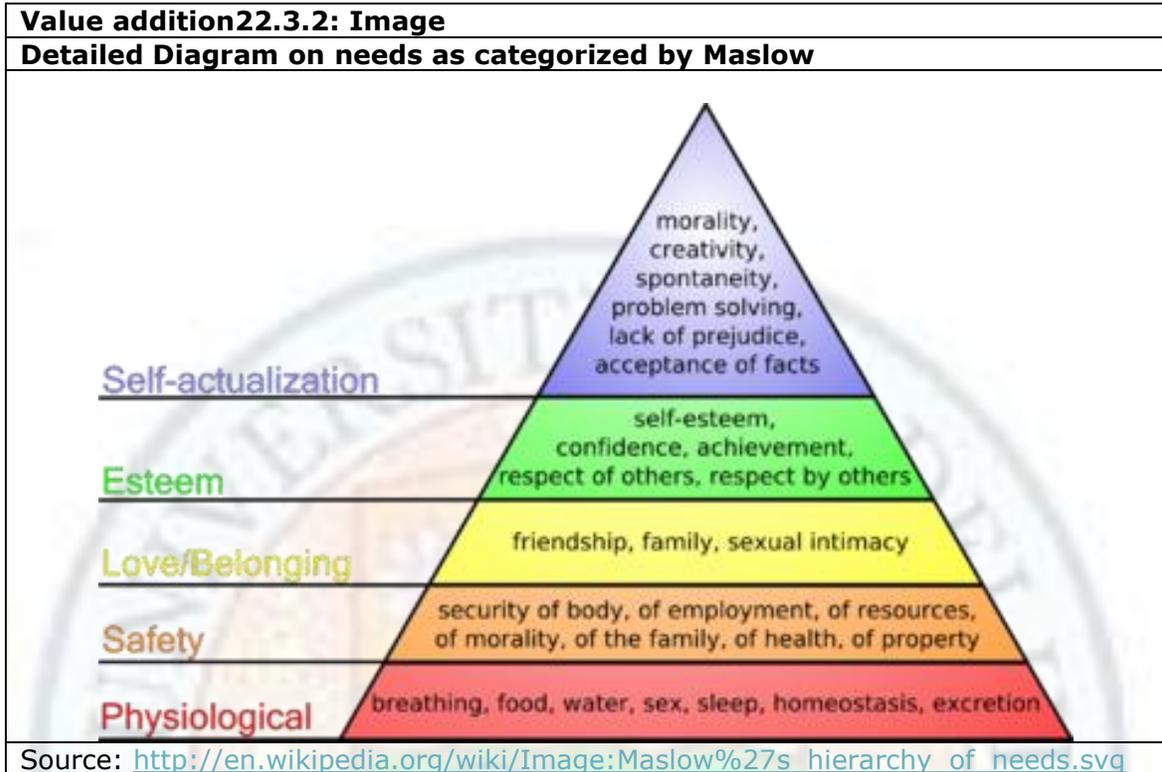
4. **Esteem/Ego needs** – Just as every individual needs to love and be loved by others, all humans have a need to respect and to be respected by others. They have a need for self-esteem and self-respect. In order to gain such self respect, people engage themselves in an activity or activities that give them a sense of contribution and bring forth recognition. This helps them feel accepted and self-valued in their profession or even in a hobby. Low self-esteem and inferiority complexes are a result of imbalances at this level. People with low self-esteem need and depend upon respect, appreciation and fame from others. However, it may be noted that such people with low self-esteem will not be able to improve their view of themselves simply by receiving fame, respect, and glory externally. They must first accept themselves internally in order to accept what comes to them externally. Psychological imbalances such as depression can also prevent one from obtaining self-esteem on both levels.

**Growth needs** – The growth needs are also termed as "being" or "B-needs". While the deficiency needs may be seen as 'basic' which can be met and neutralized, self-actualization needs endure the person's behavior once the deficiency needs stop being motivators in one's life.

**Self-actualization** - Self-actualization is the instinctual need of humans to make the most of their abilities and to strive to be the best that they can. In Maslow's scheme, the final stage of psychological development comes when the individual feels assured that his physiological, security, affiliation and affection, self-respect, and recognition needs have been satisfied. As these become dormant, he becomes filled with a desire to realize all of his potential for being an effective, creative, mature human being. "What a man can be, he must be", is what Maslow expresses. The opportunity to engage this need for self-actualization in our bureaucratic society comes to only a select few and only under special conditions conducive to bringing out the best in man.

Maslow's need hierarchy is a general proposition and does not imply that everyone's needs shall follow the same rigid pattern. For example, some people may attach a high value to their self-esteem need such that it seems to be a stronger motivation for these people than love. While, in case of some other people, the need to create may be a stronger motivation as compared to the need for food and safety. A classic example for this could be an artist living in poverty, where reversing of the standard hierarchy of needs is apparent. Similarly, freedom fighters and social reformers may have a strong desire to satisfy their self-actualization needs even when their lower-order needs may not have been fully satisfied. In some special cases, persons who have suffered hunger or some other deprivation over extended periods in time may live happily for the rest of their lives only when they can get enough of what they lacked. In such cases, the level of aspiration may have become permanently lowered and the higher-order, less prepotent needs may never become active.

# Motivation



## **22.3.2 Critical analysis of Maslow's Theory**

Maslow's need hierarchy theory has been criticized on the following grounds:

- Managers cannot easily ascertain the needs that influence individual behavior since needs keep changing from one to the other.
- The hierarchy always does not hold good in practice.
- Only one need does not influence the human behavior at a given point of time. A person wants to satisfy a combination of needs at the same time.
- Need, once satisfied does not cease to be a motivational factor.

<b>Value addition 22.3.3: Check Your Comprehension</b>
<b>22.3 Maslow's Need Hierarchy Theory of Motivation</b>
<p>Spend about 5 minutes in arranging the key words given below according to Maslow's Need Hierarchy Model of Motivation:  Breathing, security of property, spontaneity, self esteem, sleep, security of body, sex, family, water, confidence, sexual intimacy, achievement, respect by others, creativity, friendship, problem solving, security of employment, and food.  Compare your response with the one given below:  <i>Physiological: Breathing, sleep, sex, water, food.</i>  <i>Safety: Security of property, security of body, security of employment.</i>  <i>Love/Social: Family, sexual intimacy, friendship.</i>  <i>Ego: Self esteem, confidence, respect by others.</i>  <i>Self-actualization: Spontaneity, achievement, creativity, problem solving.</i>  <b>Pick the option that best suits.</b></p>

## Motivation

<b>This section...</b>		
<b>Completely understood</b>	<b>Partially Understood</b>	<b>Not understood</b>
↓	↓	↓
<b>Move on to next section</b>	<b>Move on to next section but note that you need to revise this.</b>	<b>You need to re read this and discuss it with your batch mates.</b>

<b>Value addition 22.3.4: Test Yourself</b>
<b>22.3 Maslow's Need Hierarchy Theory of Motivation</b>
<ol style="list-style-type: none"> <li>1. Explain Maslow's theory of motivation.</li> <li>2. Draw and label a figure describing Maslow's need hierarchy theory in the given box.</li> <li>3. On what grounds has Maslow's theory of motivation been criticized?</li> <li>4. Do the needs always follow the sequence as described by Maslow? If not, on what other grounds has his theory been criticized?</li> </ol>

## 22.4 Fredrick Herzberg's Two Factor Theory

<b>Value addition 22.4.1: Focus of the Section</b>
<b>22.4 Fredrick Herzberg's Two Factor Theory</b>
<p>This section appries you with Herzberg's theory. Consider this example-If you are expected to study and secure good marks, you may assume some facilities as given or provided, the presence of which shall not although inspire you but whose absence will make achieving the result impossible/difficult. Such factors have been described as hygiene factors by Herzberg. In your case they may be: an undisturbed study environment, books to study from, inputs like registers, pens etc., sufficient light and good ventilation. Herzberg also described certain other higher order factors as motivators absence of which may not be dissatisfying but their presence act as motivators. In your case they may be achieving consistently good results in class tests/cycle tests/unit tests, recognition for securing a high rank in class or high interest in studies.</p>

# Motivation

## 22.4.1 Herzberg's Theory of Motivation

Figure 22.7 Fredrick Herzberg



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**Frederick Herzberg** - Herzberg developed this motivation theory during his investigation of 200 accountants and engineers in the USA. According to the Two Factor Theory of Frederick Herzberg, people are influenced by two factors - Hygiene factors and Motivation factors.

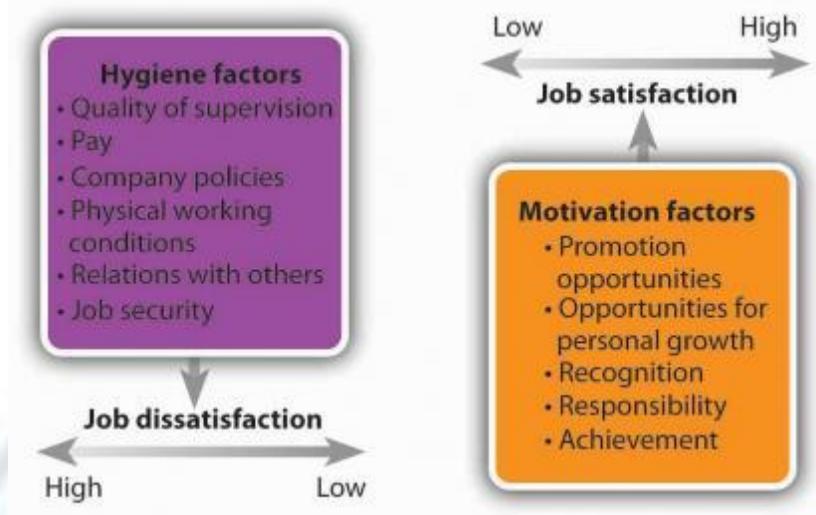
**Hygiene factors (based on Job Context)**- These factors are needed to ensure that an employee does not become dissatisfied. Although these factors do not lead to higher levels of motivation, but in the absence of them there is dissatisfaction.

**Motivation factors (based on Job Content)**- These factors are needed in order to motivate an employee into higher performance. Such factors result from internal generators in employees.

While satisfaction and psychological growth are results presence of motivation factors, dissatisfaction is a result of absence of hygiene factors.

# Motivation

**Figure 22.8 Herzberg’s Hygiene and Motivation Factors**



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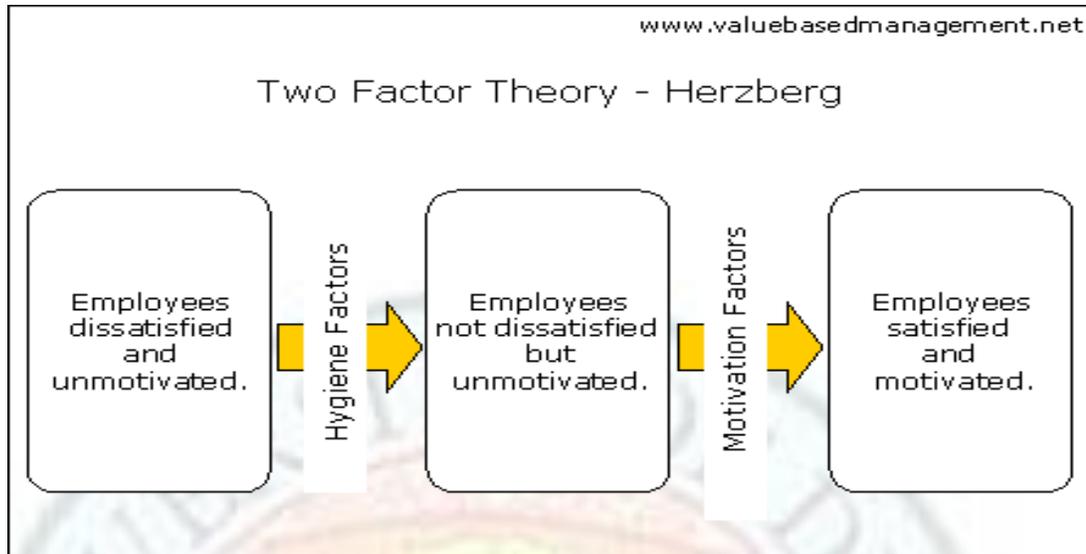
[http://www.google.co.in/imgres?imgurl=https://static.flatworldknowledge.com/sites/all/files/imagecache/book/27984/fwk-collins-fig07\\_006.jpg&imgrefurl=http://www.flatworldknowledge.com/node/28089&usq=ZjqBk5m4R\\_GGi5o2kCCPq9yxLfw=&h=264&w=412&sz=19&hl=en&start=0&zoom=1&tbid=WNMWc3WAe8xB7M:&tbnh=117&tbnw=182&prev=/images%3Fq%3Dherzberg%2527s%2Bmotivation-hygiene%2Btheory%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=699&vpy=262&dur=5530&hovh=180&hovw=281&tx=183&ty=75&ei=xGC5TOyWN8aecNziwccM&oei=xGC5TOyWN8aecNziwccM&sq=1&page=1&ndsp=19&ved=1t:429,r:16,s:0](http://www.google.co.in/imgres?imgurl=https://static.flatworldknowledge.com/sites/all/files/imagecache/book/27984/fwk-collins-fig07_006.jpg&imgrefurl=http://www.flatworldknowledge.com/node/28089&usq=ZjqBk5m4R_GGi5o2kCCPq9yxLfw=&h=264&w=412&sz=19&hl=en&start=0&zoom=1&tbid=WNMWc3WAe8xB7M:&tbnh=117&tbnw=182&prev=/images%3Fq%3Dherzberg%2527s%2Bmotivation-hygiene%2Btheory%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=699&vpy=262&dur=5530&hovh=180&hovw=281&tx=183&ty=75&ei=xGC5TOyWN8aecNziwccM&oei=xGC5TOyWN8aecNziwccM&sq=1&page=1&ndsp=19&ved=1t:429,r:16,s:0)

<i>Typical Hygiene Factors are:</i>	<i>Typical Motivation Factors include:</i>
<ul style="list-style-type: none"> <li>▪ Working conditions in the organization</li> <li>▪ Quality of supervision at work</li> <li>▪ Salary and perquisites</li> <li>▪ Status in the organization</li> <li>▪ Job Security</li> <li>▪ Company’s credibility in the industry</li> <li>▪ Job itself</li> <li>▪ Company policies and administration</li> <li>▪ Interpersonal relations at work</li> </ul>	<ul style="list-style-type: none"> <li>▪ Opportunity for achievement</li> <li>▪ Recognition for achievement</li> <li>▪ Responsibility for task</li> <li>▪ Interest in the job</li> <li>▪ Scope of advancement to higher level tasks</li> <li>▪ Possibility of growth</li> </ul>

Table 22.1 Hygiene and Motivation Factors

**Figure 22.9 Herzberg’s Two Factor Theory**

# Motivation



Source:

[http://images.google.co.in/imgres?imgurl=http://www.examtutor.com/business/resources/studyroom/people\\_and\\_organisations/motivation\\_theory/pictures/maslow\\_and\\_herzberg\\_fig3.gif&imgrefurl=http://www.examtutor.com/business/resources/studyroom/people\\_and\\_organisations/motivation\\_theory/7-makingconnections.php&h=217&w=318&sz=8&hl=en&start=7&tbnid=W-WNZuVxLrT9M:&tbnh=81&tbnw=118&prev=/images%3Fq%3Dcomparison%2Bof%2Bmaslow%2Band%2Bherzberg%2Btheory%2Bof%2Bmotivation%26gbv%3D2%26hl%3Den%26sa%3DG](http://images.google.co.in/imgres?imgurl=http://www.examtutor.com/business/resources/studyroom/people_and_organisations/motivation_theory/pictures/maslow_and_herzberg_fig3.gif&imgrefurl=http://www.examtutor.com/business/resources/studyroom/people_and_organisations/motivation_theory/7-makingconnections.php&h=217&w=318&sz=8&hl=en&start=7&tbnid=W-WNZuVxLrT9M:&tbnh=81&tbnw=118&prev=/images%3Fq%3Dcomparison%2Bof%2Bmaslow%2Band%2Bherzberg%2Btheory%2Bof%2Bmotivation%26gbv%3D2%26hl%3Den%26sa%3DG)

Combining the hygiene and motivation factors results in four scenarios:

1. High Hygiene + High Motivation: The ideal situation where employees are highly motivated and have few complaints.
2. High Hygiene + Low Motivation: Employees have few complaints but are not highly motivated. The job is perceived as a paycheck.
3. Low Hygiene + High Motivation: Employees are motivated but have a lot of complaints. A situation where the job is exciting and challenging but salaries and work conditions are not up to par.
4. Low Hygiene + Low Motivation: The worst situation. Unmotivated employees with lots of complaints.

Herzberg suggests that often work can and should be arranged in the following ways:

- job enlargement
- job rotation, and/or
- job enrichment.

Thus according to Herzberg, man has 2 different sets of needs:

Set 1: avoid pain and satisfy basic needs

Set 2: (higher) achieve and experience psychological growth such as accomplish a difficult task, obtain prestige, and receive recognition.

**Primary determinants of job satisfaction** are intrinsic aspects called Motivators: (achievement, the work itself, responsibility, and advancement)

**Primary determinants of job dissatisfaction** are extrinsic factors called Hygienes (company policy, supervision, salary, interpersonal relations with co-workers, and working conditions)

# Motivation

## **22.4.2 Difference between Hygiene Factors and Motivation Factors**

<i>Hygiene Factors</i>	<i>Motivation Factors</i>
1. They are called maintenance factors.	1. They are called motivational factors.
2. Their presence does not motivate the workers.	2. Their presence acts as satisfiers and, therefore motivates the workers to perform better.
3. Their absence acts as dissatisfiers.	3. Their absence does not demotivate the workers.
4. They have extrinsic value-they lie outside the job.	4. They have intrinsic value-they lie on the job.
5. Some of the examples are salary, bonus, working conditions etc.	5. Examples are achievement, recognition, personal growth etc.

Table 22.2 Difference between Hygiene and Motivation Factors

## **22.4.3 Critical analysis**

- Herzberg's findings are based on a small sample of 200 engineers and accountants and are not representative of general work force.
- His theory cannot be generalized as it failed to produce similar results later.
- Though the theory holds good for people working at higher levels, it may not apply to workers at the operative levels.
- It is difficult to categorize the factors as satisfiers or dissatisfiers. Also factors that are dissatisfiers for some may be motivators for others.
- Many researchers have found results opposite to Herzberg's findings. They have shown that absence of motivators can be dissatisfying and presence of hygiene factors can motivate the employees to work harder.

## **22.4.4 Comparison of Maslow's and Herzberg's**

In Maslow's Hierarchy the needs at lower level relate to the Extrinsic / Hygiene factors of Herzberg's Two Factor Theory. This may be understood as absence of 'dissatisfaction' on the satisfaction of lower level needs in relation to Herzberg theory. It is the higher level needs basically the ego and self actualization needs that relate to Intrinsic / Motivators of the Herzberg's theory.

# Motivation

**Figure 22.10 Outcome of Intrinsic and Extrinsic Motivation**

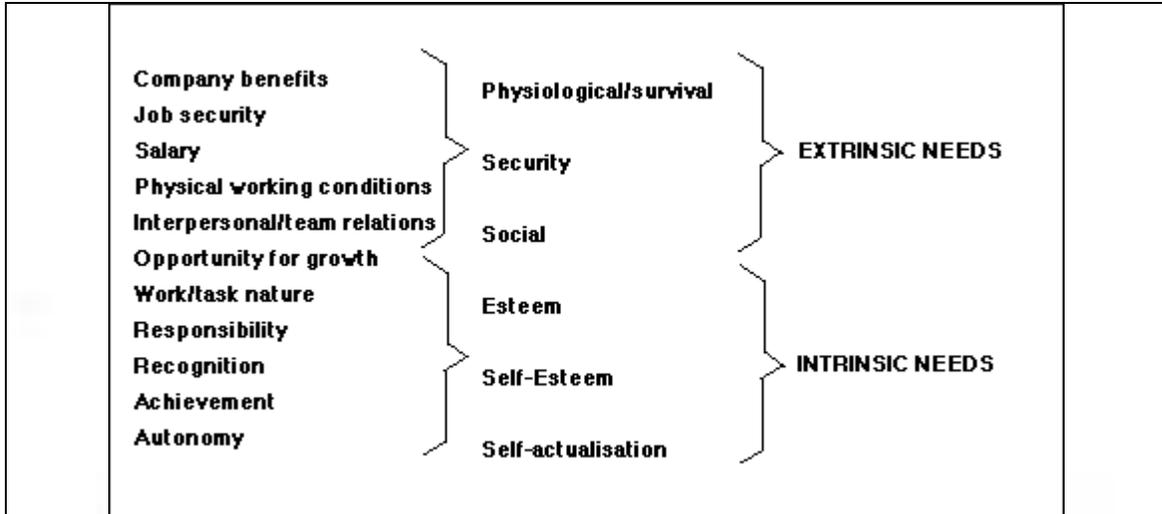
	Personal	Interpersonal
Intrinsic	Personal Satisfaction	Social Interaction
Extrinsic	Personal Rewards	Public Recognition

Source:

[http://www.google.co.in/imgres?imgurl=http://www.wishfulthinking.co.uk/blog/wp-content/p-satisfaction-etc.png&imgrefurl=http://www.wishfulthinking.co.uk/2008/12/09/balance/&usq=\\_oSIUWhI3X81uc6Dq8zIN4eyBq04=&h=364&w=456&sz=30&hl=en&start=18&zoom=1&tbnid=OPS-w7kzJKMapM:&tbnh=102&tbnw=128&prev=/images%3Fq%3Dimportance%2Bof%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1](http://www.google.co.in/imgres?imgurl=http://www.wishfulthinking.co.uk/blog/wp-content/p-satisfaction-etc.png&imgrefurl=http://www.wishfulthinking.co.uk/2008/12/09/balance/&usq=_oSIUWhI3X81uc6Dq8zIN4eyBq04=&h=364&w=456&sz=30&hl=en&start=18&zoom=1&tbnid=OPS-w7kzJKMapM:&tbnh=102&tbnw=128&prev=/images%3Fq%3Dimportance%2Bof%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1)

<b>Value addition 22.4.2: Did you know?</b>
<b>Intrinsic and Extrinsic Needs</b>
The figure below shows different intrinsic and extrinsic needs for an individual. Remember <b>intrinsic needs</b> are innate, inherent, inseparable from the person himself, while, <b>extrinsic needs</b> pertain to an outside or external origin. These needs are then related to Maslow’s needs hierarchy model and Herzberg’s hygiene and motivating factors in the following manner:

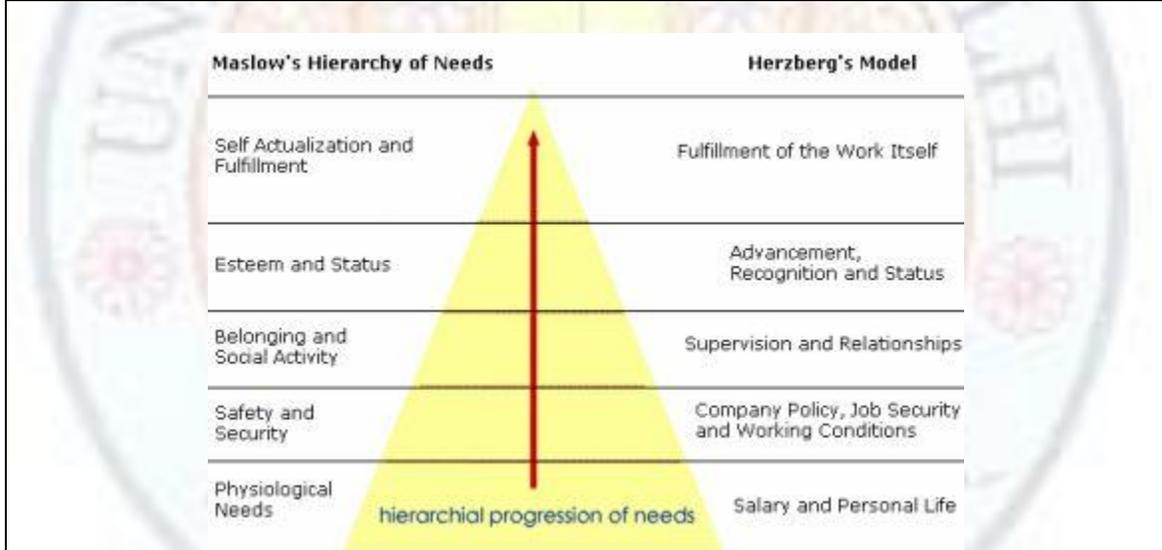
# Motivation



Source: <http://www.thomsettinternational.com/main/images/turn2.gif>

## Value addition 22.4.3: Image

### Relative Needs in Maslow's Theory and Herzberg's Model



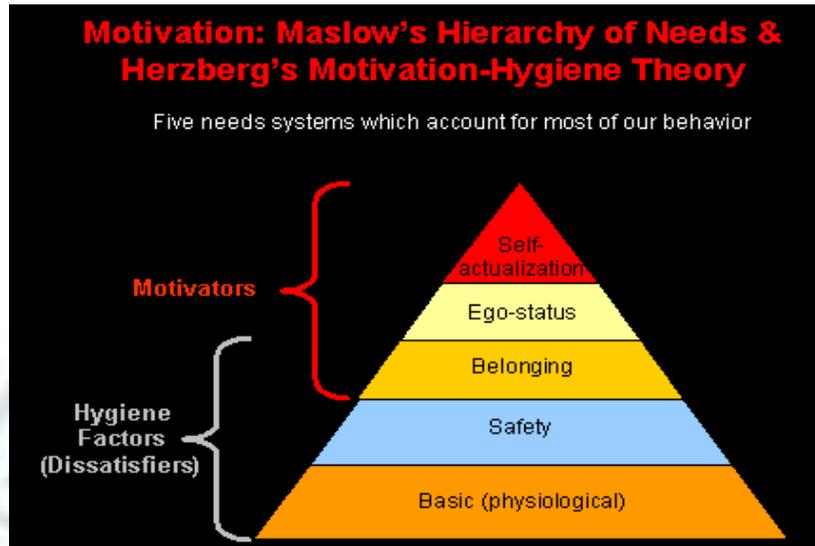
Source: <http://www.lifehack.org/wp-content/files/2007/09/20070903-maslow-hertzberg.jpg>

It is clear that both the theories emphasize on the needs of the individuals. Maslow has given a hierarchical order, whereas Herzberg has formulated two sets of factors. These theories help the managers as they know that if physiological and safety needs are stronger than other needs, presence of hygiene factors is to be ensured. Whereas if self actualization needs or needs for achievement and growth are stronger, managers must provide motivators on the job.

We can thus show the comparison between the two theories with the help of following diagram:

# Motivation

**Figure 22.11 Comparison between Maslow's and Herzberg theory of Motivation**



Source: [http://www.1000ventures.com/design\\_elements/selfmade/motivation\\_maslow.gif](http://www.1000ventures.com/design_elements/selfmade/motivation_maslow.gif)

This figure simplifies the comparison and depicts that the higher order needs in Maslow's theory corresponds to motivators of Herzberg's theory, whereas, lower order needs corresponds to hygiene factors. It is however difficult to draw a clear cut demarcating line from where motivators begin and hygiene factors end. Therefore in some diagrams you will find half of belonging or social need related to hygiene and the other top half related to motivating factors. Whereas in others, as in this one, the belonging need is related to both.

<b>Value addition 22.4.4: Check Your Comprehension</b>		
<b>22.4 Fredrick Herzberg's Two Factor Theory</b>		
If you have understood the theory, it would be clear to you that hygiene factors are needed to ensure an employee does not become dissatisfied, whereas motivation factors are needed in order to motivate an employee into higher performance. Now you should be able to answer the following questions:		
1. Herzberg divided the needs into two sets of factors. What did he call these factors?		
2. List any two hygiene and motivation factors.		
<b>Pick the option that best suits.</b>		
<b>This section...</b>		
<b>Completely understood</b>	<b>Partially Understood</b>	<b>Not understood</b>
↓	↓	↓
<b>Move on to next section</b>	<b>Move on to next section but note that you need to revise</b>	<b>You need to re read this and discuss it with your batch mates.</b>

# Motivation

	<b>this.</b>	
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## Value addition 22.4.5: Test Yourself

### 22.4 Fredrick Herzberg's Two Factor Theory

1. Critically examine Herzberg's Motivation Hygiene Theory and compare it with Maslow's Need Hierarchy Theory.
2. Discuss Herzberg's two factor theory of motivation.
3. Differentiate between Hygiene and Motivation Factors.
4. Show the comparison of Maslow's Need Hierarchy Theory with Herzberg's Two Factor Theory with the help of a suitable diagram.

## 22.5 Douglas McGregor's Theory X and Theory Y

### Value addition 22.5.1: Focus of the Section

#### 22.5 Douglas McGregor's Theory X and Theory Y

Unlike Herzberg dividing the human needs into two set of factors, Douglas McGregor simply gave two theories. Have you ever noticed that some students have to be constantly told by their parents and/or teachers to study for their exams or to finish off their home assignments and submit them, whereas there are others who do so on their own without being told?

This section describes the theory of motivation by McGregor, who made similar assumptions about people. He recognized that some people dislike and despise work, while others like work and do it with zeal.

### 22.5.1 McGregor's Theory of Motivation

Figure 22.12 Douglas McGregor



Source: [http://www.google.co.in/imgres?imgurl=http://www.wrightresults.com/wp-content/uploads/2010/03/douglas-mcgregor.jpg&imgrefurl=http://www.wrightresults.com/tag/theory-y/&usq=6AIPGKGVnyVh5qUHyt11qSC3LUA=&h=215&w=150&sz=19&hl=en&start=0&zoom=1&tbnid=UKeySHbmL8y6xM:&tbnh=127&tbnw=90&prev=/images%3Fq%3DDouglas%2BMcGregor%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=131&vpy=120&dur=1290&hovh=172&hovw=120&tx=86&ty=135&ei=jqGkTImGK8vMcM\\_raci&oei=jqGkTImGK8vMcM\\_raci&esq=1&page=1&ndsp=27&ved=1t:429,r:0,s:0](http://www.google.co.in/imgres?imgurl=http://www.wrightresults.com/wp-content/uploads/2010/03/douglas-mcgregor.jpg&imgrefurl=http://www.wrightresults.com/tag/theory-y/&usq=6AIPGKGVnyVh5qUHyt11qSC3LUA=&h=215&w=150&sz=19&hl=en&start=0&zoom=1&tbnid=UKeySHbmL8y6xM:&tbnh=127&tbnw=90&prev=/images%3Fq%3DDouglas%2BMcGregor%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=131&vpy=120&dur=1290&hovh=172&hovw=120&tx=86&ty=135&ei=jqGkTImGK8vMcM_raci&oei=jqGkTImGK8vMcM_raci&esq=1&page=1&ndsp=27&ved=1t:429,r:0,s:0)

## Motivation

In his 1960 book, *The Human Side of Enterprise*, Douglas McGregor proposed two theories to view employee motivation. He avoided descriptive labels and simply called the theories Theory X and Theory Y. Both of these theories are based on the premise that for the economic benefit of the firm management's role is to assemble the factors of production, including people. Beyond this point, the two theories of management diverge.

**Figure 22.13 Relevance of Theory X at Lower Levels of Management and that of Theory Y at Higher Levels**



Source: [http://www.google.co.in/imgres?imgurl=http://visualambassador.com/wp-content/uploads/xoryillust7.jpg&imgrefurl=http://visualambassador.com/2009/06/01/x-and-y/&usq=stESZBxVoRyTfHU\\_jfQqD\\_p8x\\_k=&h=378&w=578&sz=63&hl=en&start=5&zoom=1&tbnid=F-OmMblaFsUfTM:&tbnh=88&tbnw=134&prev=/images%3Fq%3DDouglas%2BMcgregor%2527s%2Btheory%2Bx%2Band%2By%2Bon%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1](http://www.google.co.in/imgres?imgurl=http://visualambassador.com/wp-content/uploads/xoryillust7.jpg&imgrefurl=http://visualambassador.com/2009/06/01/x-and-y/&usq=stESZBxVoRyTfHU_jfQqD_p8x_k=&h=378&w=578&sz=63&hl=en&start=5&zoom=1&tbnid=F-OmMblaFsUfTM:&tbnh=88&tbnw=134&prev=/images%3Fq%3DDouglas%2BMcgregor%2527s%2Btheory%2Bx%2Band%2By%2Bon%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1)

**Theory X** - Essentially, Theory X assumes that people work only for money and security. Theory X **assumes** that the average person:

- Dislikes work and attempts to avoid it.
- Has no ambition, wants no responsibility, and would rather follow than lead.
- Is self-centered and therefore does not care about organizational goals.
- Resists change.
- Is gullible and not particularly intelligent.

Such people are only interested in fulfilling their primary needs of food, clothing, shelter and security. Money and fringe benefits like insurance and provident fund are the motivators that make them contribute to organizational goals. This is a pessimistic approach to human behavior. It provides rigid control, close supervision, one-way communication and autocratic style of leadership. It defines management as the art of getting thing done by following the carrot and stick approach.

# Motivation

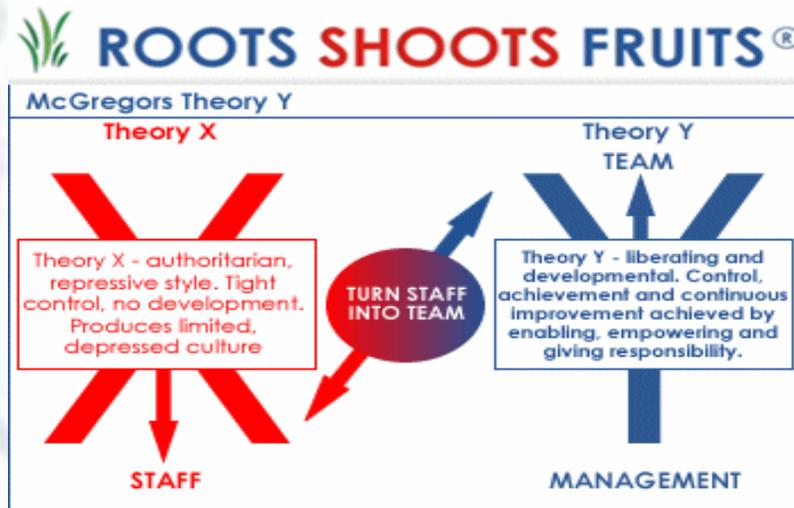
**Theory Y** - The higher-level needs of esteem and self-actualization are never completely satisfied and are hence continuing needs. As these are continuing needs these can be used to motivate employees to contribute their best.

Theory Y makes the following general **assumptions**:

- Work can be as natural as play and rest.
- People will be self-directed to meet their work objectives if they are committed to them.
- People will be committed to their objectives if rewards are in place that addresses higher needs such as self-fulfillment.
- Under these conditions, people will seek responsibility.
- Most people can handle responsibility because creativity and ingenuity are common in the population.

Under these assumptions, there is an opportunity to harmonize individual needs with the larger interest i.e. personal goals with organizational goals. This is attained by aligning the employee's own quest for fulfillment as the motivator with the expectations by the organization. McGregor recognized that some people may not have reached the level of maturity assumed by Theory Y and therefore might need tighter controls initially that can be gradually relaxed as the employee develops. Theory Y, thus, holds an optimistic view about human nature that are motivated by recognition, praise, admiration, participative styles of leadership, two way communication and challenging job opportunities.

**Figure 22.14 Assumptions of Theory X and Theory Y**



Source: [http://www.rootsshootsfruits.com/web\\_images/rsf\\_mcgregor.gif](http://www.rootsshootsfruits.com/web_images/rsf_mcgregor.gif)

The figure describes that people possessing characteristics given by theory X will need tight control, whereas the ones who possess characteristics given by theory Y shall assume responsibility and improve continuously.

## **22.5.2 Implications of the Theory**

**Implications of Theory Y** - If Theory Y holds true, the firms can do many things to harness the motivational energy of its employees:

# Motivation

1. **It can benefit from decentralization and delegation of work** - If firms decentralize control and reduce the number of levels of management, each manager will have more subordinates and consequently will be forced to delegate some responsibility and decision making to them.
2. **It leads to job enlargement** - Broadening the scope of an employee's job adds variety and opportunities to satisfy ego needs.
3. **It helps in securing participative management** - By including employees in the decision making process the creative capacity of the employees is tapped to the benefit of the organization and also provides them with some control over their work environment.
4. **It leads to better performance appraisals** - When the employee are involved in the process of setting objectives and in determining the process of their evaluation, the task of performance appraisal becomes easy and more meaningful.

If properly implemented, such an environment would result in a high level of motivation as employees work to satisfy their higher level personal needs through their jobs.

<b>Value addition 22.5.2: Check Your Comprehension</b>		
<b>22.5 Douglas McGregor's Theory X and Theory Y</b>		
1. What are the ways suggested by McGregor in which an organization can harness motivating energy of its employees? <i>Hint: The following shall act as motivators for people described by Theory X - Money, insurance, provident fund, fringe benefits. Whereas the following shall act as motivators for people described by Theory Y- Recognition, praise, admiration, challenging job opportunities, two-way communication, admiration, participative styles of leadership.</i>		
2. Which factors given below will act as motivators for people having characteristics described by Theory X and Theory Y: Money, recognition, insurance, praise, admiration, provident fund, challenging job opportunities, two-way communication, fringe benefits, admiration, and participative styles of leadership? <i>Hint: The following shall act as motivators for people described by Theory X - Money, insurance, provident fund, fringe benefits. Whereas the following shall act as motivators for people described by Theory Y- Recognition, praise, admiration, challenging job opportunities, two-way communication, admiration, participative styles of leadership.</i>		
<b>Pick the option that best suits.</b>		
<b>This section...</b>		
<b>Completely understood</b>	<b>Partially Understood</b>	<b>Not understood</b>
↓	↓	↓
<b>Move on to next section</b>	<b>Move on to next section but note that you need to revise this.</b>	<b>You need to re read this and discuss it with your batch mates.</b>

<b>Value addition 22.5.3: Test Yourself</b>
<b>22.5 Douglas McGregor's Theory X and Theory Y</b>
1. Complete the following sentences by providing suitable fill ups.

## Motivation

- a. If an average person dislikes work according to theory X, according to theory Y he\_\_\_\_\_
  - b. If an average person is not ambitious and likes to follow according to theory X, according to theory Y he\_\_\_\_\_
  - c. If an average person avoids responsibility according to theory X, according to theory Y he\_\_\_\_\_
  - d. If an average person does not care about organizational goals according to theory X, according to theory Y he\_\_\_\_\_
  - e. If an average person is not intelligent according to theory X, according to theory Y he\_\_\_\_\_
2. What are the ways suggested by McGregor in which an organization can harness motivating energy of its employees?

*Hint 1: a- enjoys and likes his work.*

*b- is ambitious and is self directed.*

*c- assumes or seeks responsibility willingly.*

*d- is committed to organizational goals.*

*e- he is intelligent and creative.*

*Hint 2: The following shall act as motivators for people described by Theory X - Money, insurance, provident fund, fringe benefits. Whereas the following shall act as motivators for people described by Theory Y- Recognition, praise, admiration, challenging job opportunities, two-way communication, admiration, participative styles of leadership.*

## 22.6 William Ouchi's Theory Z

### Value addition 22.6.1: Focus of the Section

#### 22.6 William Ouchi's Theory Z

This section apprises you with the participative management style. Let us consider a hypothetical situation. Your parents want you to attend a special course which they feel shall work wonders for you. They contact the agency providing it and make all necessary arrangements for you to attend it. Will you accept their intentions readily or will you resist?

In case you resist, will it have been different if you were consulted prior to making such a decision and your consent was taken? If you say yes, then such was the recommendation of Ouchi. He emphasized participative decision making for better and effective implementation of decisions.

#### 22.6.1 Theory Z (Participative Management style)

# Motivation

**Figure 22.15 William Ouchi**



Source: [http://www.google.co.in/imgres?imgurl=http://www.hartr.ucla.edu/faculty/images/ouchi.jpg&imgrefurl=http://www.hartr.ucla.edu/faculty/bios/ouchi.html&usq=\\_wrcp03KPC\\_WOtYBIYDS4GH1FQ9w=&h=120&w=90&sz=10&hl=en&start=0&zoom=1&tbnid=l1k-RvHnR30ehM:&tbnh=96&tbnw=72&prev=/images%3Fq%3DWilliam%2BOuchi%26hl%3Den%26sa%3DG%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disc h:1&itbs=1&iact=hc&vpx=248&vpy=156&dur=260&hovh=96&hovw=72&tx=80&ty=72&ei=-KGkTKHuAYfBce-C0ZoI&oei=-KGkTKHuAYfBce-C0ZoI&esq=1&page=1&ndsp=26&ved=1t:429,r:1,s:0](http://www.google.co.in/imgres?imgurl=http://www.hartr.ucla.edu/faculty/images/ouchi.jpg&imgrefurl=http://www.hartr.ucla.edu/faculty/bios/ouchi.html&usq=_wrcp03KPC_WOtYBIYDS4GH1FQ9w=&h=120&w=90&sz=10&hl=en&start=0&zoom=1&tbnid=l1k-RvHnR30ehM:&tbnh=96&tbnw=72&prev=/images%3Fq%3DWilliam%2BOuchi%26hl%3Den%26sa%3DG%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disc h:1&itbs=1&iact=hc&vpx=248&vpy=156&dur=260&hovh=96&hovw=72&tx=80&ty=72&ei=-KGkTKHuAYfBce-C0ZoI&oei=-KGkTKHuAYfBce-C0ZoI&esq=1&page=1&ndsp=26&ved=1t:429,r:1,s:0)

When Japanese-style management was all the rage during the 1970s, W, William Ouchi, took the Theory X, Theory Y concept one step further to Theory Z. Theory Z is the participative model. Although born and educated in America, Ouchi had a Japanese descent. He visited Japan and developed this theory by studying their success with team and participative management. Ouchi's Theory Z makes certain assumptions about workers. These assumptions include that the workers wish to build cooperative and intimate working relationships with the people they come across at their work place. Not only do they tend to build strong interpersonal relations with people with whom they work, or with those that they work for; they also expect support from the company. According to Theory Z people try to maintain a work-life balance and highly value a working environment in which such things as family, cultures and traditions are regarded as equally important as the work itself. Not only do these workers have a sense of cohesion with their fellow workers, they also develop a sense of order, discipline and a moral obligation to work hard. Finally, Theory Z assumes that given the management support workers can be trusted to do their jobs to their utmost ability and can look out for their well being.

This theory is based on the premise that the management must have a high degree of confidence in its workers. Only then this type of participative management works. And on the other hand, for the management to place such confidence in employees it is important that not only should the employees be knowledgeable about the various issues of the company, but must also possess the ability to make informed decisions.

Theory Z stresses the need to enable the workers to become generalists, rather than specialists. It views job rotations and continual training as a mechanism to increase their knowledge of the company and its processes so that they acquire manifold skills and abilities. As workers are given a much longer opportunity to receive training and learn the intricacies of the company's operations through such rotations, promotions tend to be slower in this type of setting. Under this theory, it is desired to develop a work force that is more dedicated and loyal towards staying with the company for an entire career, and be more permanent than in other types of settings. It is expected that once an employee rises to higher levels of management, they will be able to use

## Motivation

Theory Z effectively on the newer employees from the great pool of knowledge acquired by them about the company and how it operates.

**Figure 22.16 Application of Theory Z on Workers and Managers**



Source:

[http://www.google.co.in/imgres?imgurl=http://www.phmainstreet.com/mba/blog/ss060925.jpg&imgrefurl=http://it.toolbox.com/blogs/irm-blog/the-miniproject-manager-concept-11881&usq=\\_\\_R4AHm2yB5FxrQNxOKOvprMVGOZQ=&h=295&w=775&sz=38&hl=en&start=0&zoom=1&tbnid=YZqIhg4-5F8CfM:&tbnh=72&tbnw=189&prev=/images%3Fq%3Dwilliam%2Bouchi%2527s%2Btheory%2Bof%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=202&vpy=105&dur=13078&hovh=138&hovw=364&tx=186&ty=56&ei=8125TKCuK4SXca6R8dEH&oei=8125TKCuK4SXca6R8dEH&esq=1&page=1&ndsp=23&ved=1t:429,r:1,s:0](http://www.google.co.in/imgres?imgurl=http://www.phmainstreet.com/mba/blog/ss060925.jpg&imgrefurl=http://it.toolbox.com/blogs/irm-blog/the-miniproject-manager-concept-11881&usq=__R4AHm2yB5FxrQNxOKOvprMVGOZQ=&h=295&w=775&sz=38&hl=en&start=0&zoom=1&tbnid=YZqIhg4-5F8CfM:&tbnh=72&tbnw=189&prev=/images%3Fq%3Dwilliam%2Bouchi%2527s%2Btheory%2Bof%2Bmotivation%26hl%3Den%26biw%3D1362%26bih%3D553%26gbv%3D2%26tbs%3Disch:1&itbs=1&iact=hc&vpx=202&vpy=105&dur=13078&hovh=138&hovw=364&tx=186&ty=56&ei=8125TKCuK4SXca6R8dEH&oei=8125TKCuK4SXca6R8dEH&esq=1&page=1&ndsp=23&ved=1t:429,r:1,s:0)

**Features of Theory Z** - It focuses on the Japanese style of long-term employment. Therefore various financial and non-financial incentives should be promoted to retain employees in the organization. It recommends informal control processes based on mutual confidence and cooperation rather than following a strict procedure for control. It emphasizes participative decision making for better and effective implementation of decisions. Theory Z focuses on individual responsibility for one's acts and collective responsibility for the acts of a group. It recommends a slow skill and performance based promotion rather than one based on time. Thus it focuses on a holistic approach where superiors and subordinates develop mutual trust and work as a team towards the attainment of organizational goals.

### **22.6.2 Benefits of Theory Z**

Theory Z is often called a comprehensive philosophy of management. It aims at the best style of management by combining the Japanese and the American styles of management. It offers the many benefits, for example it aims at promoting interpersonal skills required for group interaction which promotes worker's contribution to the maximum of their potential; it develops trust, confidence, cooperation and a strong bond amongst managers and employees; it provides job security and broader career paths to workers and the informal control processes increases the quality of work. It also helps the workers to self-direct and self-control their activities.

# Motivation

## 22.6.3 Limitations of Theory Z

Theory Z is not the last word on management as it suffers from a few limitations. It is difficult for organizations and employees to make life-time employment commitments. Participative style of decision-making may not always work well. While managers invite workers to participate in the decision-making processes, workers may not always be willing to do so. Also, features like slow promotions, group decision-making and life-time employment may not fit well into companies operating in different cultural, social and economic backgrounds.

## 22.6.4 Comparison of Theory Z with Theory X & Y

Management Concept	Douglas McGregor (Theory X & Y)	William Ouchi (Theory Z)
Motivation	Tends to categorize people as one type or another: either being unwilling or unmotivated to work, or being self motivated towards work. Threats and disciplinary action are thought to be used more effectively in this situation, although monetary rewards can also be a prime motivator to make Theory X workers produce more.	Believes that people are innately self motivated to not only do their work, but are loyal towards the company, and want to make the company succeed.
Leadership	Theory X leaders would be more authoritarian, while Theory Y leaders would be more participative. But in both cases it seems that the managers would still retain a great deal of control.	Theory Z managers would have to have a great deal of trust that their workers could make sound decisions. Therefore, this type of leader is more likely to act as "coach", and let the workers make most of the decisions.
Power & Authority	As mentioned above, McGregor's managers, in both cases, would seem to keep most of the power and authority. In the case of Theory Y, the manager would take suggestions from workers, but would keep the power to implement the decision.	The manager's ability to exercise power and authority comes from the worker's trusting management to take care of them, and allow them to do their jobs. The workers have a great deal of input and weight in the decision making process.
Conflict	This type of manager might be more likely to exercise a great deal of "Power" based conflict resolution style, especially with the Theory X workers. Theory Y workers might be given the opportunity to exert "Negotiating" strategies to solve their own differences.	Conflict in the Theory Z arena would involve a great deal of discussion, collaboration, and negotiation. The workers would be the ones solving the conflicts, while the managers would play more of a "third party arbitrator" role.

# Motivation

Performance Appraisals	Appraisals occur on a regular basis. Promotions also occur on a regular basis.	Theory Z emphasizes more frequent performance appraisals, but slower promotions.
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Table 22.3 Comparison & Contrast of Management Theorists

Source: <http://www.siu.edu/~sah/MSFS/Chapter%2018.htm>

<b>Value addition 22.6.2: Check Your Comprehension</b>		
<b>22.6 William Ouchi's Theory Z</b>		
<p>1. Pick out any three keywords that describe people according to Theory Z.  <i>Hint: Disciplined, hard working, trustworthy, confident, competent to participate in decision making, generalists rather than specialists.</i></p> <p>2. Enumerate any four features of Theory Z.</p> <p>3. Describe any two benefits of Theory Z to an organization.</p> <p><b>Pick the option that best suits.</b></p> <p><b>This section...</b></p>		
<b>Completely understood</b>	<b>Partially Understood</b>	<b>Not understood</b>
↓	↓	↓
<b>Move on to next section</b>	<b>Move on to next section but note that you need to revise this.</b>	<b>You need to re read this and discuss it with your batch mates.</b>

<b>Value addition 22.6.3: Test yourself</b>
<b>22.6 William Ouchi's Theory Z</b>
1. "Theory z is a comprehensive philosophy of management". Comment.

<b>Value addition 22.6.4: Activity</b>
<b>Motivation</b>
Visit some organization and try to find out the schemes that they follow to motivate their employees. Now try to relate it to the theories of motivation that you have studied so far if possible. You may also compare your findings with those of your friends.

<b>Value addition 22.6.5: Key Words</b>
<b>Summary</b>
<a href="#">Inspiring people</a> <a href="#">Process of driving a person to action</a> <a href="#">Hierarchy of needs</a> <a href="#">Lower level needs</a> <a href="#">Highest level need</a> <a href="#">Hygiene factors</a> <a href="#">Motivating factors</a> <a href="#">Pessimistic approach to human behavior</a> <a href="#">Optimistic approach to human behavior</a> <a href="#">Participative model</a>

# Motivation

## Summary

- Motivation is a force to drive a person into action.
- Maslow advocates a hierarchy of needs that is present in all individuals. Maslow's need hierarchy consists of five types of needs, which are in order of priority, namely: physiological needs, safety needs, social needs, ego needs, and self-actualization needs.
- Herzberg categorized two sets of factors that provided satisfaction or dissatisfaction to employees. These are hygiene factors and motivation factors. The presence of hygiene factors provides no motivation but their absence becomes a source of dissatisfaction. Whereas, the absence of motivators provides no dissatisfaction, but their presence results in high degree of motivation.
- McGregor developed two sets of assumptions about human behavior which help managers in adopting motivators for them. Theory X assumes that people are lazy, they dislike work and do not want to assume responsibility. Money and fringe benefits act as motivators for such people. Theory Y assumes that people are ambitious, they accept challenging jobs and are self-directed to contribute towards organizational goals. Recognition, praise and participative styles of leadership act as motivators for them.
- William Ouchi's Theory Z is a hybrid theory of management which incorporates the features of both Japanese and American management styles. It is called a comprehensive philosophy of management as it combines the benefits of both the Japanese and American styles. However, it is not free from limitations and is therefore, not the last word on management.



# Motivation

## Exercises

### Short Questions

- 22.1 Define motivation.
- 22.2 What are the different types of motivators used by managers in an organization?
- 22.3 Enumerate any four features of Theory Z.
- 22.4 Describe any two benefits of Theory Z to an organization.

### Long Questions

- 22.5 Describe the nature of motivation and explain its importance for the success of an enterprise.
- 22.6 Enumerate the assumptions of McGregor's Theory X and Theory Y. Which of these theories has wider applicability in our country?
- 22.7 Critically examine Herzberg's Motivation Hygiene Theory and compare it with Maslow's Need Hierarchy Theory.

<b>Value addition 22.6.6: Past University Questions</b>
<b>Motivation</b>
2005 Enumerate the assumptions of McGregor's Theory X and Theory Y. Which of these has wider applicability in our country?
2006 "Theory Z is the last word on motivation". Comment.
2007 (a) Compare Herzberg's theory with Maslow's theory. (b) Critically examine Herzberg's Motivation Hygiene Theory and compare it with Maslow's Need Hierarchy Theory.
2007 Discuss Herzberg's two factor theory of motivation.
2008 "Ouchi's theory Z is the last word on motivation". Critically examine.

# Motivation

## Glossary

**American Style of management:** It focuses on short-term employment where workers move to other organizations as and when they seek better career options. It follows explicit, formal control processes where techniques of control are enforced on employees by managers. There is individual decision making and individual responsibility for managers' actions. Managers' concern is only task-oriented relationships. Promotions are linked with good performance and are therefore quick. Employees prefer specialized career options under such a management.

**Autocratic style of leadership:** It is leadership where the leader has absolute power over his or her employees or team. Employees and team members have little opportunity for making suggestions, even if these would be in the team or organization's interest. Most people tend to resent being treated like this. Because of this, autocratic leadership usually leads to high levels of absenteeism and staff turnover.

**Carrot and stick approach:** It means use of rewards and penalties or incentives and disincentives to promote desired behavior.

**Japanese style of long-term employment:** It means workers join the organizations for their life-time and organizations are also committed to them throughout their working careers.

**Japanese Style of Management:** It focuses on life-time employment with implicit and informal control process where employees judge their performance through self-control. It emphasizes on collective decision making and collective responsibility. It is people oriented and follows a holistic concern for employees. Promotions under Japanese style of management are linked with time and are therefore slow and gradual. Employees do not specialize in career options. They possess general careers and can be placed at different jobs by providing induction and training programmes.

**Job enlargement:** It means doing different tasks and not just the same thing all the time. It may involve taking on more duties and adds variety to a person's job.

**Job Enrichment:** It means the deliberate upgrading of responsibility, scope and challenge in work. It should be distinguished from job enlargement which attempts to make a job more varied by removing the dullness associated with performing repetitive operations. However, in job enrichment, the attempt is to build in to jobs a higher sense of challenge and achievement. There is a sense of responsibility and the employee feels personal growth with the accumulation of achievement.

**Job rotation:** It refers to the movement between different jobs. One day a person may be working in one part of the factory and the next day he may work in a different part. This avoids the employee becoming bored as he is doing different jobs all the time and learning new skills.

**Levels of Management:** In organizations, there are typically three levels of management: top-level, middle-level, and first-level. These three main levels of managers form a hierarchy, in which they are ranked in order of importance. In most

## Motivation

organizations, the number of managers at each level is such that the hierarchy resembles a pyramid, with many more first-level managers, fewer middle managers, and the fewest managers at the top level. There are differences across the management levels with respect to types of management tasks each manager does, the roles that they take in their jobs, and the amount of formal authority they have to use organizational resources and to make decisions.

**Participative Management:** It is an open form of management where employees have a strong decision-making role. It is developed by managers who actively seek a strong cooperative relationship with their employees. It leads to increased productivity, improved quality, and reduced costs.

**Participative style of leadership:** It is a leadership style where the democratic leader makes decisions by consulting his team. It leads to improved motivation, sense of responsibility among employees and reduction in employee's turnover and absenteeism.



# Motivation

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- <http://imagecache2.allposters.com/images/pic/PYR/PP30580~Motivation-Posters.jpg>

### 2. Suggested Readings

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- Gregory Moorhead, Ricky. W.Griffin(Biztantra 7<sup>th</sup> Edition)

### 3. Web Links

- 22.1 Visit the URL <http://www.speechmastery.com/definition-of-motivation.html> and find more about the definition of motivation.
- 22.2 Also visit the following URL to know more on Maslow's and Herzberg's Theory on motivation.[http://ollie.dcccd.edu/mgmt1374/book\\_contents/4directing/motivatg/motivate.htm](http://ollie.dcccd.edu/mgmt1374/book_contents/4directing/motivatg/motivate.htm)
- 22.3 Visit the following URL to know more on process of motivation <http://images.google.co.in/imgres?imgurl=http://www.laynetworks.com/images/processofmotivation.gif&imgrefurl=http://www.laynetworks.com/Motivation.html&h=341&w=601&sz=8&hl=en&start=1&tbnid=jaWaNjbOx7Hn7M:&tbnh=77&tbnw=135&prev=/images%3Fq%3Dmotivation%2Bprocess%26gbv%3D2%26ndsp%3D18%26hl%3Den%26sa%3DN>
- 22.4 Visit the following URL to see the difference between Maslow's and Herzberg's Theory- <http://www.hotelmule.com/forum/viewthread.php?tid=927&extra=&page=2>