

EMPLOYEE MOTIVATION THE KEY TO BUSINESS SUCCESS

By

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An article recently appeared in the Sri Lanka Daily News under the title of 'Empowerment – the motivational tool that makes people tick'. The author purported that over ninety percent of managers would say that Empowerment is the right tool for managing people better. However, I question whether this statement was made following intensive research into the penetration of this particular management practice in organisations coupled with actual proof, or merely speculation based on spurious assumption? The author indicated that Empowerment is the most common and most recent prescription of management consultants for 'people problems'. My question is this; do managers really understand the meaning of the word and the ramifications of its use? In many organisations that I have been involved with in both research and as a Management Consultant, the word Empowerment is glibly banded about. Many managers, when asked to define exactly what they mean by this expression have said to me, 'well, I tell my staff what to do, but how they do it is up to them'; wrong answer! Empowerment may be considered as a motivational tool, but as only one of a number of methodologies that can be used in an attempt to obtain employee commitment to organisational goals. To say that Empowerment is a motivational tool without also adding that it will only be effective when a whole host of other factors are adopted may be a trifle misleading, and many managers may be led into thinking that by adopting this approach it will be the answer to all their workplace problems. I do, however, share the sentiments behind the article although I feel it necessary to point out that to introduce some new management initiative without due consideration of many other factors would be at best naïve and at worst, disastrous.

The subject of motivation is vast and complex. In the many years since the first studies of worker behaviour were being studied in America, many publications on the subject has emerged. Many theories of motivation have been submitted by well-known authors such as McGregor's Theory X and Theory Y, Maslow, Herzberg, McClelland, Deci, Lewin, Mayo and Ouchi, with Theory Z, to try to gain an understanding of the mindset of both employer and employee alike. Peter Drucker that well-known 'Guru', however, stated, in his usual succinct way, 'we know nothing about motivation, all we can do is to write books about it'!

In 1954, Dr. J. A. C. Brown an Edinburgh physician turned psychologist stated in his book 'The Social Psychology of Industry – Human Relations in the Factory:-

1. There is no ideal incentive or motivation. Incentives vary from one culture to another, from one firm to another, and from one individual to another.
2. The law of diminishing returns applies to all material incentives.
3. Incentives may conflict with other motives.
4. Motives tend to become 'monetised' - people are conditioned to think that money is the key to satisfaction.

Today, there is still no total unifying theory of motivation. What does exist is a set of different theories that address themselves to one or more of a set of variables, none of which, however, is completely and thoroughly comprehensive both in terms of hypothesised interaction effects among the variables and in terms of accounting for a diverse array of evidence. The first of Dr. Brown's four points, therefore, is worth considering further. That is, that the cultural habits and national psyche of a workforce together with appropriate management behaviours is what will largely determine the levels of motivation required to produce change in an organisation. The conditions under which one arrives at this magical condition is not fully understood, but it would most

likely be through a combination of factors and not in one particular phenomenon. Put simply, we still don't know what makes people 'tick'.

The failure to meet, effectively, the challenges presented to management has often been attributed to a fundamental weakening of the work ethic - a slippage in people's desire to work hard and increase productivity. While some work ethic erosion may have taken place, a less than fully motivated workforce points directly to a failure of managers to support and reinforce employees in the productive execution of their duties. The importance of employee participation in linking the needs of both employee and the business goals of the organisation has continued to attract an enthusiastic following. As employers and employees explore new ways to work more effectively to meet individual needs in the workplace, commitment is strengthened. Commitment provides the motivational lever for increasing the level of discretionary effort. The discretionary effort potential when raised within a work environment, that recognises its importance and facilitates its development, can pave the way for better performance. A frequent and positive concomitant of increased commitment and performance is heightened job satisfaction and improved morale. Employee participation, then, is more than just a means to enable employees to enjoy their work more. It is a strategic mechanism for allowing employees to become more involved in their jobs, more committed to business objectives and more productive. Managed effectively, participation can work to everyone's advantage.

There is now a burgeoning literature on the emergence of new forms of work organisation. These have been variously termed 'high performance work organisations', 'high commitment organisations', etc., etc. A theme running through this literature is that a necessary (though by no means sufficient) condition of such high performance is extensive employee participation. It is postulated that 'firms, which do not have such mechanisms in place, are unlikely to develop organisational structures that result in the attainment of competitive advantage in product markets in which extra-price competition is important'. In his book 'Back from the Brink', Sir Michael Edwardes, then Chairman of British Leyland said, '...the first is in employee involvement which requires line

managers to lead, to appear among the men on the shop floor, to communicate with them, and to keep them in the picture, and to treat them with the respect they feel and deserve. Only then will there be mutual respect. There are further changes that can and must be made to optimise employee involvement'. Edwardes took on and won, with government backing, the trust and loyalty of a militant workforce in the motor industry whose minds had been controlled by their trade union leaders for a very long time. His philosophy was that 'managers would manage'.

The managerial priorities of organising and controlling which had characterised the machine bureaucratic organisational form are giving way to the new emphasis on coaching, facilitating and motivating employees. Most workplaces today now have some form of employee involvement initiative even if many such schemes are of an '*ad-hoc*' nature such as brainstorming groups. Such initiatives, it is asserted, will allow organisations to gain a competitive edge by establishing a climate of mutual trust and confidence that in turn will lead to improved customer service, greater productivity and good employee relations. However, despite clear evidence that the traditional role of operators has been expanded to include identifying and finding solutions to operational problems, in many manufacturing organisations the rhetoric simply does not match the reality. Research into one organisation revealed, '*Employees on the shop floor were performing repetitive monotonous tasks barely utilising their skills and ability*'.

Over the last several decades, a variety of participation (involvement) initiatives have been adopted by management to attempt to resolve problems encountered in workplace industrial relations. For example, in the 1970s, autonomous work groups were hailed as a major innovation on the shop floor followed by Management by Objectives (MBO) for groups of white-collar workers, Drucker (1954). During the 1980s, Quality Circles quickly followed by Total Quality Management (TQM) appeared in the workplace. Today, the management rhetoric speaks of 'Empowerment' and harnessing the skills of the knowledge worker. A point made succinctly by Jack Welch, CEO of General Electric, '.... If you're not thinking all the time about making every employee more valuable, you don't have a chance. My vision is to have an energised, involved,

participative workforce where everyone plays a role'. Securing and sustaining a competitive advantage, however, is as much about systems and process innovation as it is about products. The management literatures are strewn with striking metaphors such as the 'Learning Organisation', Pedler *et. al.* (1991) 'Learning Company', the 'Networked Organisation', the 'Success Culture', the 'Core Competence Engine', Prahalad and Hamel (1990) all of which are signalling the emergence of a new strand of strategic literature. It emphasises the need to focus on 'Dynamic Internal Capability', Teece *et. al.* (1997). Whilst systems and processes can be replicated, patterns of human behaviour are more difficult to emulate. The challenge confronting the contemporary strategist, therefore, is to align dynamic internal capabilities with external opportunities. Indeed, two expressions that have recently become popular or an *in vogue* are 'Knowledge Management' and Intellectual Capital'.

Managers sometimes create mechanisms for employee voice without being fully committed to the concept of greater influence for employees. Recommendations and suggestions are not acted on, or no provision is made for judicial review. In these instances the credibility of such mechanisms are quickly eroded creating a level of distrust that may be actually higher than it would have been without the introduction of such mechanisms. An organisation has to have an innovative mindset to retain an edge or even survive in a highly competitive globalised market. In developing an innovative mindset, there are daily requirements to be practised these include, among others, trust, supportiveness, recognition, reward and respect.

In an experiment carried out on a group of college students in America some years ago where non-financial incentives and the effect of praise and reprimand were studied. The results showed that public praise (recognition) was overwhelmingly the one that improved the quality of their work, whilst public sarcasm showed a significant tailing off in performance. An interesting conclusion was the effect of praise and its influence on motivation. 'Praise often serves as a reward and makes the activity that leads to it attractive, while criticism can cause the individual to avoid activity that leads to it. Thus the motivational effects can influence the attractiveness of activities that lead to praise

providing, of course, the person has ego needs that are satisfied by the praise. If the praise is perceived as recognition of work and effort, it satisfies and, as already pointed out, recognition is high on the list of job satisfiers'.

One researcher once lamented, *'If we wish to encourage creative productivity within a given environment, we must eliminate any notion that the instant an idea is proposed, it must be bitten, broken, kicked, soaked in water, and then allowed to lie limp on the floor for several years while it is studied with suspicion to see if any vestige of evil remains in it!'*

Radical solutions to problems proposed by innovative thinkers that challenge authority or threaten the established *status quo* are often unlikely to be accepted by management. Unfortunately for the organisation, knowledge about individual innovation is influenced by two axioms of human behaviour. The first is that human beings are motivated to explore and manipulate their environment in ways that are essentially creative in nature. The second is that they are driven by a need to be free from threat and to have a sense of psychological safety. Where individuals are threatened in some way they are likely to react defensively and unimaginatively to that threat. They will therefore stick to the tried, tested and routine ways of doing things rather than explore and attempt new ways of dealing with their problems. Thus artificial barriers to innovation are erected and *creativity inertia* becomes the order of the day with little or no benefit for organisations or employees alike, Bassett-Jones and Lloyd (1998). A further cause of dissent often voiced from employees at operator level is one of the complete absence of respect for their ideas for change. This is often termed '*source credibility*' by senior managers and serves to reinforce the fact that operators at a low level in the organisation perceive that even the best of their ideas will have little chance of success where this bigoted attitude prevails.

However, it is to the management values that we must look to provide a clue to the behaviour of employees. According to Daniels (1994) 'all management ultimately comes down to managing behaviour, since it is through behaviour of people that all things get

done'. Therefore, effort seems to be needed to change the 'psychic prison' mentality that pervades the mindset of employee's in changing negative behaviour to one that will provide more positive results for the business. As stated previously, releasing employee creativity is but one way of bringing about cultural change within organisations. The central core of many of the arguments put forward as barriers to effective cultural change, appears to rest within low-trust organisational environments within a strict managerial span of control.

Organisations that have 'learnt' to manage more effectively using an empowered approach within a flatter structure, seem more at ease in delivering the promised obligatory mission statement values. Carnall (1986) summed it up succinctly, 'to manage change effectively involves the ability to create a new synthesis of people, resources, ideas, opportunities and demands. The manager needs skills rather like those of an orchestral conductor. Vision is essential and creativity paramount. Yet the capacity to create systematic plans to provide for the logistics of resources, support, training and people is central to any change programme. People must be influenced, departmental boundaries crossed or even swallowed-up. New ideas must be embraced'. The chairman of American Airlines, Donald Carty also recognised this, 'Free movement of capital, ideas, products and people is what's driving the world economy today'.

It could be argued then that, irrespective of an employee's desire to identify problems and propose solutions - however frustrated they may have become with their daily task and whether or not they wish to improve organisational success and reduce costs, without the support of management at all levels, their suggestions for improvement are valueless. In fact, many theorists believe that a creative internal climate cannot be developed in the first place without top management support. That is, all the factors normally associated with a creative climate are unlikely to exist unless some degree of management support is available to set the tone.

This brings us then to the formulation of a set of assumptions that fundamentally underpin the whole process of improving workplace morale and to increase employee

commitment. By building robust systems that enable the uninhibited release of employee creativity this should, in turn, lead to a circle of achievement together with recognition that leads to a better motivated workforce. The internal psychological environment of an organisation, therefore, can play a major role in organisational creativity, particularly in regard to the generation of innovative proposals.

The creation of a satisfying, stimulating and productive work environment can be beneficial for both management and worker alike if honest concern is shown for all parties involved. However, the pivotal role in the process must lie with management itself. Perhaps the most important lesson to be learnt is that if management truly want to improve performance and work attitudes, they must take an active role in managing motivational processes at work. Managing motivation is a conscious, intentional behaviour; it is not something that just happens.

In conclusion, whilst I fully support the notion of introducing new methods to encourage employee commitment, there is a danger that too many new methods will lead to 'initiative overload'. This may have a reverse effect on what is trying to be achieved by management and whilst empowering the workforce to take risks is very laudable, it is not without its dangers. Unfortunately, employees and for that matter, employers, can be a bloody-minded lot and even when presented with techniques that are supposed to increase productivity, provide greater freedom and a sense of achievement, still it fails to happen. Therefore, saying that employees 'will feel elated' and 'will love to do it' doesn't always ring true. Employees 'may feel elated' and 'may like to do things' but there is absolutely no guarantee that they 'will'. I remember in one organisation I worked with that introduced a new bonus system that on the face of it seemed to provide more than adequate rewards, a supervisor saying that this was an excellent new scheme. One worker, overhearing the comment said to a colleague, 'It can't be much good if he's saying it is'! However, with properly thought out process, robust systems and management commitment, we may yet see some evidence of truth in the arid rhetoric of statements such as, 'our employees are our greatest asset'!