CHAPTER 16
Managing Employee Motivation and Performance

Summary of Learning Objectives and Key Points

1. Characterize the nature of motivation, including its importance and basic historical perspectives.
   • Motivation is the set of forces that cause people to behave in certain ways.
   • Motivation is an important consideration for managers because it, along with ability and environmental factors, determines individual performance.
   • Thinking about motivation has evolved from the traditional view through the human relations approach to the human resource view.

2. Identify and describe the major content perspectives on motivation.
   • Content perspectives on motivation are concerned with what factor or factors cause motivation.
   • Popular content theories include Maslow’s needs hierarchy, the ERG theory, and Herzberg’s two-factor theory.
   • Other important needs are the needs for achievement, affiliation, and power.

3. Identify and describe the major process perspectives on motivation.
   • Process perspectives on motivation deal with how motivation occurs.
• Expectancy theory suggests that people are motivated to perform if they believe that their effort will result in high performance, that this performance will lead to rewards, and that the positive aspects of the outcomes outweigh the negative aspects.

• Equity theory is based on the premise that people are motivated to achieve and maintain social equity.

• Attribution theory is a new process theory.

4. Describe reinforcement perspectives on motivation.

• The reinforcement perspective focuses on how motivation is maintained.

• Its basic assumption is that behavior that results in rewarding consequences is likely to be repeated, whereas behavior resulting in negative consequences is less likely to be repeated.

• Reinforcement contingencies can be arranged in the form of positive reinforcement, avoidance, punishment, and extinction, and they can be provided on fixed-interval, variable-interval, fixed-ratio, or variable-ratio schedules.

5. Identify and describe popular motivational strategies.

• Managers use a variety of motivational strategies derived from the various theories of motivation.

• Common strategies include empowerment and participation and alternative forms of work arrangements, such as variable work schedules, flexible work schedules, and telecommuting.

6. Describe the role of organizational reward systems in motivation.

• Reward systems also play a key role in motivating employee performance.
- Popular methods include merit reward systems, incentive reward systems, and team and group incentive reward systems.

- Executive compensation is also intended to serve as motivation for senior managers but has currently come under close scrutiny and criticism.