



MILLIONS

MANAGEMENT SOLUTIONS

OB

Summary

Chapter 8

OB Chapter 8 & Motivation: from Concept to Application

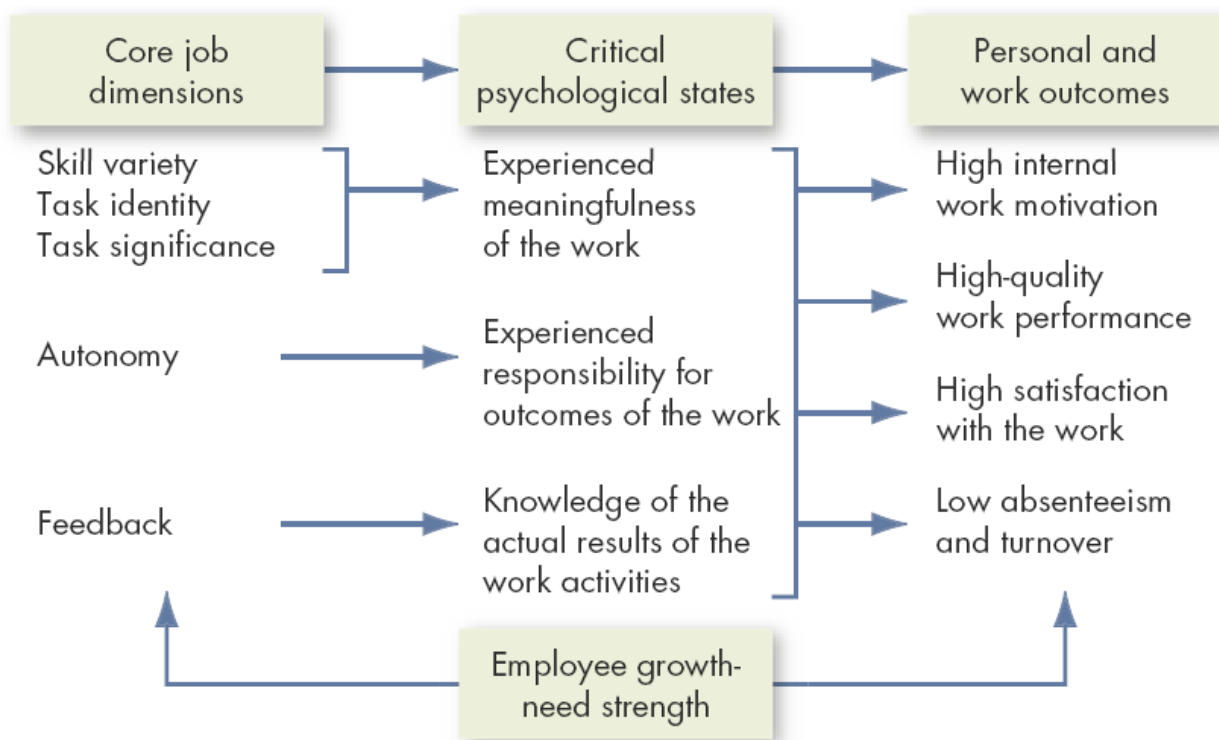
Motivating by Job Design: The Job Characteristics Model

Job Design: The way elements in a job are organized

Job Characteristics Model: A model that proposes that any job can be described in terms of 5 core job dimensions.

5 core job dimensions (based on JCM)

1. Skill Variety – degree to which a job requires a variety of different activities
2. Task Identity – degree to which a job requires completion of a whole & identifiable a piece of work
3. Task significance – degree to which a job has an impact on the lives/work of other people
4. Autonomy – degree to which a job provides substantial freedom & discretion to the individual in scheduling the work & in determining the procedures to be used in carrying it out
5. Feedback – degree to which carrying out activities generates direct & clear information about your own performance



Motivating Personal Score (MPS) : a predictive index that suggests the motivating potential in a job

MPS = $\frac{\text{Skill Variety} + \text{Task Identity} + \text{Task Significance}}{3} \times \text{Autonomy} \times \text{Feedback}$

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How can Jobs redesigned?

Job Rotation (also called cross-training) – the periodic shifting of an employee from one task to another with similar skill requirements at the same organizational level

Strengths of Job rotation:

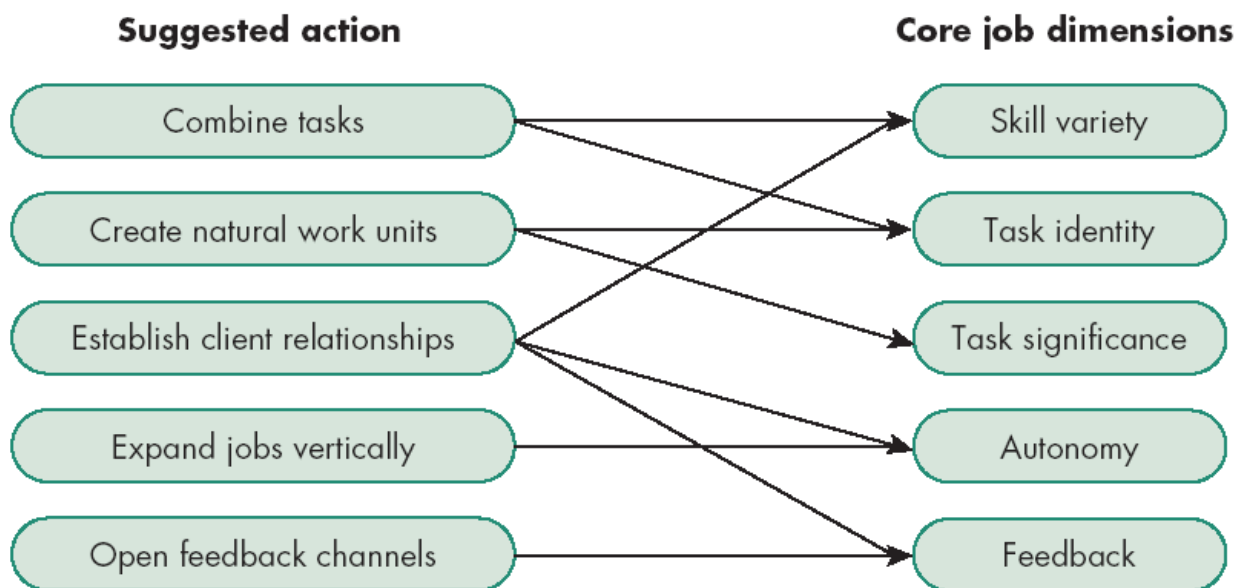
- Reduce boredom
- Increase motivation
- Helps employees better understand how their work contributes in the organization
- Wider range of skills
- More flexibility in scheduling work
- Adapting to changes
- Filling vacancies

Weaknesses of Job rotation:

- Training cost
- Productivity reduced

Job enrichment : the vertical expansion of jobs, which increases the degree to which the worker controls the planning, execution, & evaluation of the work

Guidelines for enriching job:



Alternative Work Arrangements

- Flextime – flexible work hours
- Job sharing – an arrangement that allows 2 or more individuals to split a traditional 40-hour-a-week job
- Telecommuting – working from home at least 2 days a week on a computer that’s linked to the employer’s office

Categories of telecommuting jobs:

- Routine information handling tasks
- Mobile activities
- Professional and other knowledge-related tasks

Employee Involvement: A participative process that uses employees' input to increase their commitment to the organization's success

Examples of employee involvement program:

- Participative Management

A joint decision making, in which subordinates share a significant degree of decision-making power with their immediate superiors

- Representative Participation

Its goal is to redistribute power within an organization. There are two most common forms:

1. Work councils
2. Board Representative

Using Rewards to Motivate Employees

1. What to Pay: Establishing a pay structure

- The process of initially setting pay levels can be complex and needs balancing internal & external equity.

2. How to Pay: Rewarding individual employees through variable-pay programs

- Variable-pay program: a pay plan that bases a portion of an employee's pay on some individual and/or organizational measure of performance
 - Piece-Rate Pay: a pay plan in which workers are paid a fixed sum for each unit of production completed
 - Merit-Based Pay: pays for individual performance based on appraisal ratings
 - Bonuses: a pay plan that rewards employees for recent performances rather than historical performances
 - Skill-Based/Competency-Based/Knowledge-Based Pay: a pay plan that sets pay levels on the basis of how many skills employees have or how many jobs they can do
 - Profit-Sharing Plans: an organization wide program that distributes compensation based on some established formula designed around company's profitability
 - Gainsharing: a formula-based group incentive plan

- Employee Stock Ownership Plan (ESOP): a company-established benefits plan in which employees acquire stock, often at below-market prices, as part of their benefits

3. What Benefits and Choices to Offer

Flexible Benefits: Turn the benefits into motivators because it individualizes rewards by allowing each employee to choose the compensation package that best satisfies his or her current needs and situation.

It can accommodate differences in employee needs based on age, marital status, spouses' benefit status, and number and age of dependents.

3 popular types of benefits:

- Flexible Spending Account: allow employees to set aside pretax dollars up to the dollar amount offered in the plan to pay for particular benefits, such as health care and dental premiums. Flexible spending accounts can increase take-home pay because employees don't pay taxes on the dollars they spend from these accounts.
- Core-plus option: consist of a core of essential benefits and a menu like selection of others from which employees can select. Typically, each employee is given "benefit credits," which allow the purchase of additional benefits that uniquely meet his or her needs.
- Modular Plans: predesigned packages or modules of benefits, each of which meets the needs of a specific group of employees.

A module designed for single employees with no dependents might include only essential benefits. Another, designed for single parents, might have additional life insurance, disability insurance, and expanded health coverage.

4. How to Construct Employee Recognition Programs

- **Motivating Employees in Organizations**
 - a. Recognize individual differences.
 - b. Use goals and feedback.
 - c. Allow employees to participate in decisions that affect them.
 - d. Link rewards to performance.
 - e. Check the system for equity.