



Managing People

Unit Two

Course Unit Structure



- ▶ Managing People Course Structure
 - ▶ Unit 1: Individual Behavior
 - ▶ **Unit 2: Motivation**
 - ▶ Unit 3: Business Communication
 - ▶ Unit 4: Managing Human Capital
 - ▶ Unit 5: Leadership
 - ▶ Unit 6: Managing Groups and Teams
 - ▶ Unit 7: Create a Winning Organizational Culture
 - ▶ Unit 8: Power, Politics and Change

Unit Learning Objectives

- ▶ apply theories of motivation (job oriented, behavior oriented, cognition oriented, and needs oriented) to inspire and motivate individual employees and groups in a variety of work situations to achieve high performance in organizations
- ▶ use a system that includes performance appraisals and feedback as tools for employee development and to improve job performance
- ▶ recommend incentives and rewards to inspire high performance in teams



Unit Vocabulary

- acceptability
- behavior-oriented theories
- Behaviorally Anchored Rating Scale (BARS)
- checklist scale
- critical incidents
- equity theory
- essay
- expectancy theory
- going rate model
- graphic rating scale
- halo effect
- Herzberg's Two-Factor Theory

- job-oriented theories
- Management by Objectives (MBO)
- Maslow's Hierarchy of Needs
- needs-oriented motivation
- pay grade levels
- ranking
- reliability
- specificity
- validity
- work standards approach



Overview: Unit Two Topics

- ▶ Motivation theories
- ▶ Performance appraisals
- ▶ Incentives and rewards



2a Theories of Motivation

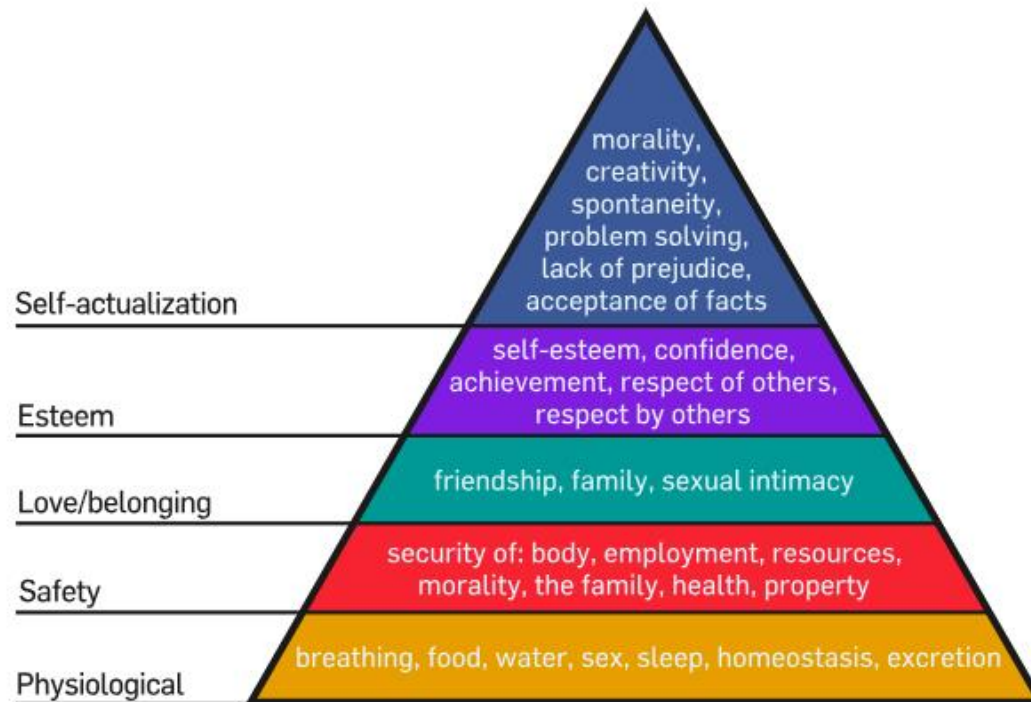
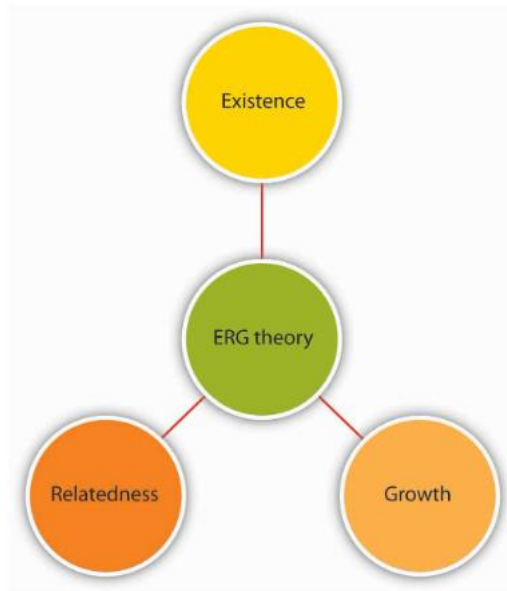
- ▶ **Needs-based theories** provide a fulfillment of various human needs
- ▶ **Cognitive-oriented theories** tell us that people have a need for equitable compensation.
- ▶ **Behavior-oriented theories**, sometimes referred to as **Reinforcement Theory**
- ▶ **Job-oriented theories** contend that employees are innately driven to contribute to the organization and that compensation and other incentives are less important



2a Examples of Theories-Needs Based

► Needs-based theory

Figure 14.7 ERG Theory



2a Examples of Theories-Cognitive-Oriented

- ▶ **Cognitive-oriented theory**
 - ▶ Expectancy theory
 - ▶ Equity theory

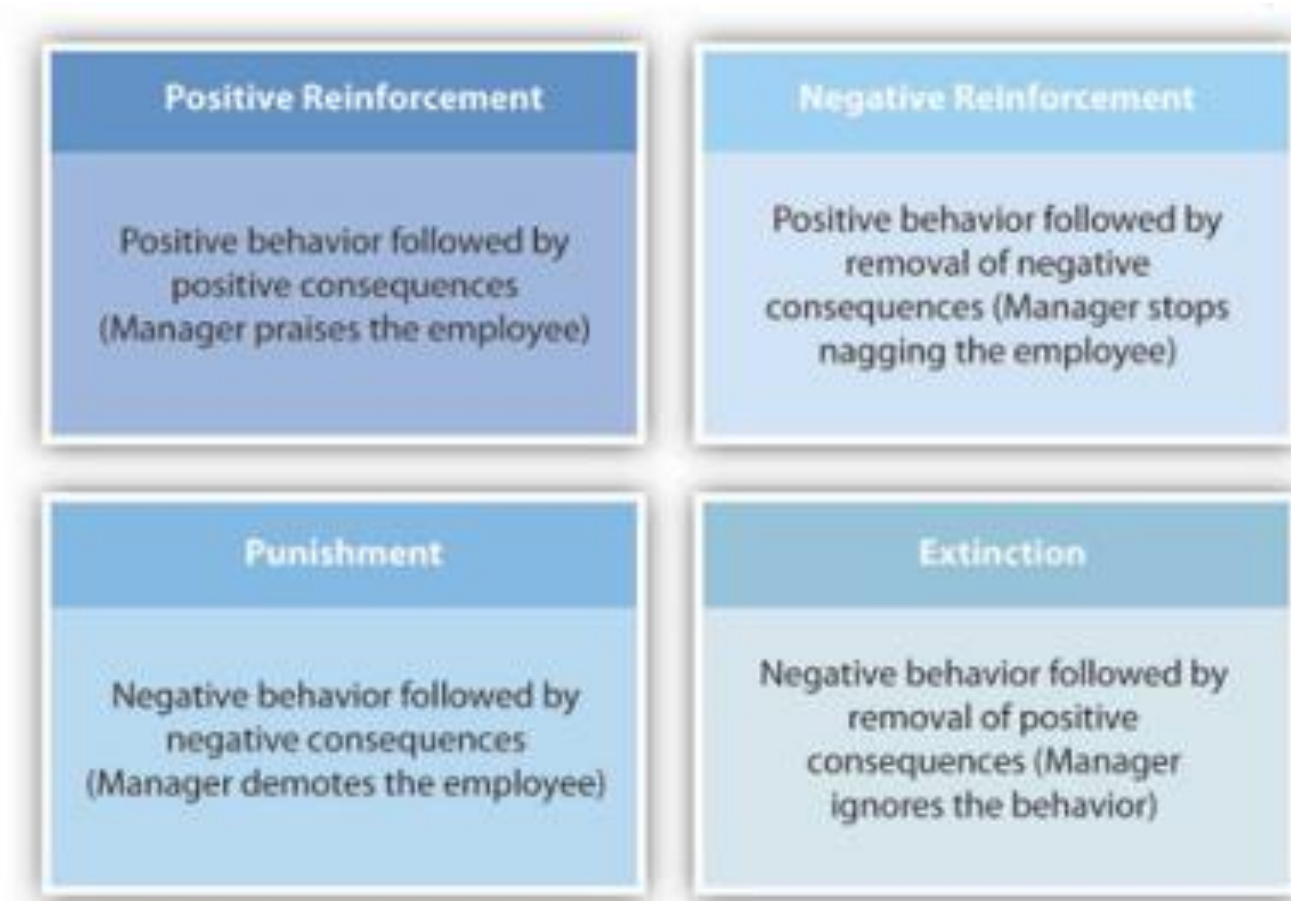
Figure 14.11 Summary of Expectancy Theory



Source: Based on Porter, L. W., & Lawler, E. E. (1968). Managerial attitudes and performance. Homewood, IL: Irwin; Vroom, V. H. (1964). Work and motivation. New York: Wiley.



2a Examples of Theories-Behavior Oriented-Reinforcement Theory



2a Examples of Theories-Job Oriented

- ▶ Job-Oriented Theories
 - ▶ Focused on the idea that people are innately driven to contribute to their organization
 - ▶ There are many ways we as managers can help this, such as through employee development, or job enlargement



2b Performance Appraisals

- ▶ The purpose of an appraisal is to review employee performance, and may be tied to pay raises and/or promotions
- ▶ Examples of types of appraisals
 - ▶ Graphic Rating Scale
 - ▶ Checklist scale
 - ▶ Critical incidents
 - ▶ Work standards approach
 - ▶ Ranking
 - ▶ Management by Objectives (MBO)
 - ▶ Behaviorally Anchored Rating Scale (BARS)



2b Performance Appraisals, Continued

- ▶ Errors when rating employees
 - ▶ Halo effect
 - ▶ Reliability
 - ▶ Validity
 - ▶ Acceptability
 - ▶ Specificity



2c Incentives and Rewards

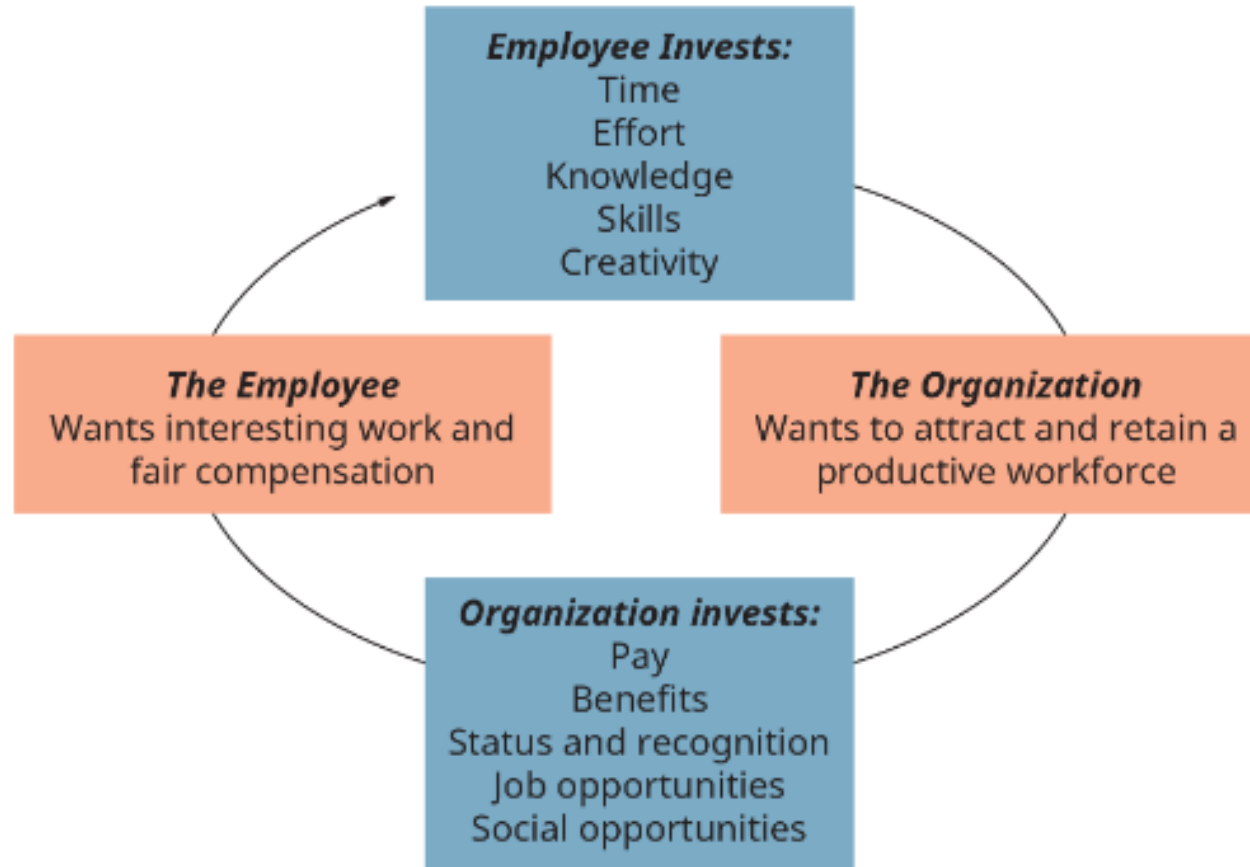


Exhibit 8.6 The Exchange Process Between Employee and Organization (Attribution: Copyright Rice University, OpenStax, under CC BY-NC-SA 4.0 license)



2c Incentives and Rewards-Intrinsic and Extrinsic

- ▶ Extrinsic rewards
 - ▶ Externally provided
- ▶ Intrinsic rewards
 - ▶ Internal



2c Incentives and Rewards-Pay

- ▶ Pay grade levels
 - ▶ Everyone earns the same based on their grade
- ▶ Going rate model
 - ▶ Supply and demand based



Conclusion

- ▶ Here's what you learned:
 - ▶ apply theories of motivation (job oriented, behavior oriented, cognition oriented, and needs oriented) to inspire and motivate individual employees and groups in a variety of work situations to achieve high performance in organizations
 - ▶ use a system that includes performance appraisals and feedback as tools for employee development and to improve job performance
 - ▶ recommend incentives and rewards to inspire high performance in teams



What's Next?

- ▶ To prepare you for the practice exam, consider one more review of the study guide and course materials.
- ▶ Good luck on the practice exam!

