

Instructor's Manual to Accompany **Organizational Behavior 7/e** by Steven L. McShane and Mary Ann Von Glinow



Chapter 6: Applied Performance Practices

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Applied Performance Practices

LEARNING OBJECTIVES

After reading this chapter, students should be able to:

1. Discuss the meaning of money and identify several individual-, team-, and organizational-level performance-based rewards.
2. Describe five ways to improve reward effectiveness.
3. List the advantages and disadvantages of job specialization.
4. Diagram the job characteristics model and describe three ways to improve employee motivation through job design.
5. Define empowerment and identify strategies that support empowerment.
6. Describe the five elements of self-leadership and identify specific personal and work environment influences on self-leadership.



CHAPTER GLOSSARY

autonomy -- The degree to which a job gives employees the freedom, independence, and discretion to schedule their work and determine the procedures used in completing it.

employee stock ownership plan (ESOP) -- A reward system that encourages employees to buy company stock.

empowerment -- A psychological concept in which people experience more self-determination, meaning, competence, and impact regarding their role in the organization.

gainsharing plan -- A team-based reward that calculates bonuses from the work unit's cost savings and productivity improvement.

job characteristics model -- A job design model that relates the motivational properties of jobs to specific personal and organizational consequences of those properties.

job design -- The process of assigning tasks to a job, including the interdependency of those tasks with other jobs.

job enlargement -- The practice of adding more tasks to an existing job.

job enrichment -- The practice of giving employees more responsibility for scheduling, coordinating, and planning their own work.

job evaluation -- Systematically rating the worth of jobs within an organization by measuring the required skill, effort, responsibility, and working conditions.

job specialization -- The result of a division of labor, in which work is subdivided into separate jobs assigned to different people.

mental imagery -- The process of mentally practicing a task and visualizing its successful completion.

motivator-hygiene theory -- Herzberg's theory stating that employees are primarily motivated by growth and esteem needs, not by lower-level needs.

profit-sharing plan -- A reward system that pays bonuses to employees on the basis of the previous year's level of corporate profits.

scientific management -- The practice of systematically partitioning work into its smallest elements and standardizing tasks to achieve maximum efficiency.

self-leadership -- The process of influencing oneself to establish the self-direction and self-motivation needed to perform a task.

self-talk -- The process of talking to ourselves about our own thoughts or actions.

skill variety -- The extent to which employees must use different skills and talents to perform tasks within their jobs.

stock options -- A reward system that gives employees the right to purchase company stock at a future date at a predetermined price.

task identity -- The degree to which a job requires completion of a whole or an identifiable piece of work.

task significance -- The degree to which a job has a substantial impact on the organization and/or larger society.

CHAPTER SUMMARY BY LEARNING OBJECTIVE

6-1 Discuss the meaning of money and identify several individual-, team-, and organizational-level performance-based rewards.

Money (and other financial rewards) is a fundamental part of the employment relationship, but it also relates to our needs, our emotions, and our self-concept. It is viewed as a symbol of status and prestige, as a source of security, as a source of evil, or as a source of anxiety or feelings of inadequacy.

Organizations reward employees for their membership and seniority, job status, competencies, and performance. Membership-based rewards may attract job applicants and seniority-based rewards reduce turnover, but these reward objectives tend to discourage turnover among those with the lowest performance. Rewards based on job status try to maintain internal equity and motivate employees to compete for promotions. However, they tend to encourage a bureaucratic hierarchy, support status differences, and motivate employees to compete and hoard resources. Competency-based rewards are becoming increasingly popular because they encourage skill development. However, they tend to be subjectively measured and can result in higher costs as employees spend more time learning new skills.

Awards and bonuses, commissions, and other individual performance-based rewards have existed for centuries and are widely used. Many companies are shifting to team-based rewards such as gainsharing plans and to organizational rewards such as employee stock ownership plans (ESOPs), stock options, and profit sharing. Although ESOPs and stock options create an ownership culture, employees often perceive a weak connection between individual performance and the organizational reward.

6-2 Describe five ways to improve reward effectiveness.

Financial rewards have a number of limitations, but reward effectiveness can be improved in several ways. Organizational leaders should ensure that rewards are linked to work performance, rewards are aligned with performance within the employee's control, team rewards are used where jobs are interdependent, rewards are valued by employees, and rewards have no unintended consequences.

6-3 List the advantages and disadvantages of job specialization.

Job design is the process of assigning tasks to a job, including the interdependency of those tasks with other jobs. Job specialization subdivides work into separate jobs for different people. This increases work efficiency, because employees master the tasks quickly, spend less time changing tasks, require less training, and can be matched more closely with the jobs best suited to their skills. However, job specialization may reduce work motivation, create mental health problems, lower product or service quality, and increase costs through discontentment, absenteeism, and turnover.

6-4 Diagram the job characteristics model and describe three ways to improve employee motivation through job design.

The job characteristics model is a template for job redesign that specifies core job dimensions, psychological states, and individual differences. The five core job dimensions are skill variety, task identity, task significance, autonomy, and job feedback. Jobs also vary in their required social interaction (task interdependence), predictability of work activities (task variability), and procedural clarity (task analyzability). Contemporary job design strategies try to motivate employees through job rotation, job enlargement, and job enrichment. Organizations introduce job rotation to reduce job boredom, develop a more flexible workforce, and reduce the incidence of repetitive strain injuries. Job enlargement involves increasing the number of tasks within the job. Two ways to enrich jobs are clustering tasks into natural groups and establishing client relationships.

6-5 Define empowerment and identify strategies that support empowerment.

Empowerment is a psychological concept represented by four dimensions: self-determination, meaning, competence, and impact, related to the individual's role in the organization. Individual characteristics seem to have a minor influence on empowerment. Job design is a major influence, particularly autonomy, task identity, task significance, and job feedback. Empowerment is also supported at the organizational level through a learning orientation culture, sufficient information and resources, and corporate leaders who trust employees.

6-6 Describe the five elements of self-leadership and identify specific personal and work environment influences on self-leadership.

Self-leadership is the process of influencing oneself to establish the self-direction and self-motivation needed to perform a task. This includes personal goal setting, constructive thought patterns, designing natural rewards, self-monitoring, and self-reinforcement. Constructive thought patterns include self-talk and mental imagery. Self-talk occurs in any situation in which a person talks to himself or herself about his or her own thoughts or actions. Mental imagery involves mentally practicing a task and imagining successfully performing it beforehand. People with higher levels of conscientiousness, extroversion, and a positive self-concept are more likely to apply self-leadership strategies. It also increases in workplaces that support empowerment and have high trust between employees and management.

LECTURE OUTLINE (WITH POWERPOINT® SLIDES)



Applied Performance Practices

Applied Performance Practices

Slide 1

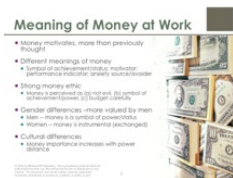


Applied Performance Practices at Hilcorp Energy

Hilcorp Energy Co. has a highly motivated workforce, driven by generous company-wide performance-based financial bonuses (including new cars shown here) and intrinsically motivating jobs.

Applied Performance Practices at Hilcorp Energy

Slide 2



Meaning of Money at Work

Money motivates, more than previously thought

Money means different things to different people

- Symbol of achievement/success/status
- Reinforcer and motivator
- Reflection of performance
- Source of enhanced or reduced anxiety

Money ethic -- higher when money is perceived as:

- not evil
- a symbol of achievement, respect, and power
- something of value to be budgeted carefully

Gender differences

- Money is valued more by men than by women
- Men view money as a symbol of power/status
- Women view money as instrumental (exchanged for things of value)

Cultural differences

- Higher respect/priority for money in high power distance cultures



Membership/Seniority-Based Rewards

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Membership/Seniority-Based Rewards

Represent the largest part of most paychecks – “pay for pulse” e.g. fixed wages

Advantages

- Guaranteed wages may attract job applicants
- Seniority-based rewards reduce turnover

Disadvantages

- Do not directly motivate job performance
- Discourages poor performers from leaving voluntarily
- May act as “golden handcuffs” – discourage employees from quitting



Job Status-Based Rewards

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Job Status-Based Rewards

Higher pay for employees in jobs with higher worth or status

Job evaluation --measures a job's skill, effort, responsibility, working conditions

Job status reward also include more perks in higher status jobs

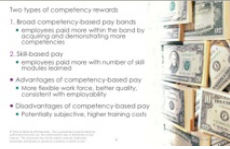
Advantages:

- Improve feelings of fairness
- Motivates competition for promotions

Disadvantages:

- Encourages bureaucratic hierarchy
- Reinforces status vs. egalitarian workplace culture
- Employees may exaggerate duties, hoard resources

Competency-Based Rewards



Competency-Based Rewards

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Competency-Based Rewards

Two main types of competency pay

1. Broad competency-based pay bands -- employees increase pay within the band by acquiring and demonstrating more competencies
2. Skill-based pay -- pay increases with number of skill blocks/modules learned e.g. technical skills

Advantages

- More flexible and multiskilled work force
- Better product/service quality; consistent with employability

Disadvantages

- Competency definitions may be vague/subjective – skill-based plans are more objective
- Higher training costs

Performance-based Rewards



Performance-based Rewards

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Performance-Based Rewards

Individual-level rewards

- Bonuses (executives), commissions (sales), piece rate systems (hotel housekeepers)

Team Rewards -- typically bonuses to entire team

- Gainsharing plans – bonuses based on team's cost savings and productivity improvement (i.e. share part of cost savings with firm)

Organizational Rewards

- Employee stock ownership plans (ESOPs) – reward systems that encourage employees to buy company stock
- Stock options – the right to purchase company stock at a future date at a predetermined price
- Profit-sharing plans – pays bonuses to employees from level of corporate profits

Evaluating Organizational Rewards

- ESOPs, stock options create an "ownership culture"
- Profit-sharing automatically adjusts pay with firm's prosperity
- Problem with organizational rewards
 - ➔ weak connection between individual effort and rewards (low P-to-O expectancy)
 - ➔ ESOPs used as substitute for pension plan, lacks diversification

Improving Reward Effectiveness



Improving Reward Effectiveness

Slide 8

Improving Reward Effectiveness

Link rewards to performance

- Higher rewards to those with better performance

Ensure rewards are relevant

- Reward outcomes within employee's control ("line of sight")

Use team rewards for interdependent jobs

- difficult to measure individual performance when jobs interdependent

Ensure rewards are valued

- Avoid assuming what employees want or that all want the same thing

Watch out for unintended consequences

- Think through consequences of rewards
- Test incentives in a pilot project

Unintended Consequences of Rewards at TransSantiago



Unintended Consequences of Rewards at TransSantiago

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Unintended Consequences of Rewards at TransSantiago

Transit bus drivers in Santiago, Chile, were paid by the number of fare-paying passengers. This incentive system motivated drivers to begin their route on time, take shorter breaks and drive efficiently, however, unintended results occurred:

- Reckless driving to the next passenger waiting area
- Cutting off competing buses
- Passenger injuries/fatalities because drivers speeded off before passengers were seated
- Skipped stops where only one passenger was waiting
- Many traffic accidents

Job Design

- Assigning tasks to a job, including the interdependency of those tasks with other jobs
- Organization's goal -- to create jobs that can be performed efficiently yet employees are motivated and engaged



Job Design

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Job Design

Job design -- process of assigning tasks to a job, including the interdependency of those tasks with other jobs

Organization's goal -- to create jobs that allow work to be performed efficiently yet employees are motivated and engaged

Job Specialization and Scientific Management

- Dividing work into separate jobs, each with a subset of tasks to complete the product/service
- Scientific management
- Frederick Winslow Taylor
- Championed job specialization and standardization
- Also emphasized training, goal setting, work incentives
- Advantages and disadvantages of job specialization



Job Specialization and Scientific Management

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Job Specialization and Scientific Management

The result of division of labor in which each job includes a subset of the tasks required to complete the product or service

Scientific management

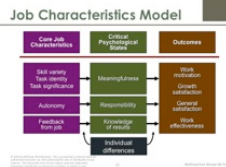
- Advocated by Frederick Winslow Taylor in early 1900s
- Mainly about high job specialization and standardization of tasks to achieve maximum efficiency
- Taylor also popularized training, goal setting, work incentives

Advantages of job specialization

- Less time changing activities; lower training costs; jobs mastered quickly; better person-job matching

Disadvantages of job specialization

- Job boredom; discontentment pay to attract employees resulting in higher costs; reduced work quality; undermines the motivational aspect of jobs



Job Characteristics Model

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Job Characteristics Model

Five core job dimensions that produce three psychological states

Core job characteristics

- Skill variety – using different skills/talents to perform tasks
 - ➔ e.g. sales clerks also stock inventory and change store-front displays
- Task identity – completing a whole or identifiable piece of work
 - ➔ e.g. assembling an entire broadband modem rather than just soldering circuitry
- Task significance – job's perceived effect on firm and/or society
 - ➔ e.g. quality of servicing aircraft engines affects passenger safety
- Autonomy – freedom, independence and discretion in scheduling the work and determining procedures
- Job feedback – direct feedback from job about task performance
 - ➔ e.g. pilots can tell how well they land the plane while performing the task

Critical Psychological States

- Experienced meaningfulness – believe the work is worthwhile/important
- Experienced responsibility – feel personally accountable
- Knowledge of results – information on consequences of work effort

Individual Differences

- Job dimensions motivate only when employees have skills and knowledge to master job
- Model originally also included growth need strength and satisfaction with job context, but mixed support for these contingencies

Other Job Characteristics

- Social characteristics of the job
 - Required interaction with other people
 - clients, coworkers, etc.
 - Task interdependence -- job requires social interaction with coworkers
 - Feedback from others -- from coworkers, clients, etc.
- Predictability/information processing demands
 - High task variability -- job has nonroutine work patterns
 - High task analyzability -- use known procedures/rules

Other Job Characteristics

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Other Job Characteristics

Social characteristics of the job

- Required interaction with other people (clients, coworkers, etc)
- Task interdependence -- job requires social interaction with coworkers
- Feedback from others -- from coworkers, clients, etc

Predictability/information processing demands of the job

- High task variability -- job has nonroutine work patterns;
 - ➔ different and unpredictable tasks on one day than another day
- High task analyzability -- job can be performed using known procedures and rules.
 - ➔ ready-made "cookbook" to guide most decisions and actions
 - ➔ low task analyzability jobs require employee creativity and judgment

Job Rotation at EYE Lighting Int'l



Job Rotation at EYE Lighting Int'l

Slide 14

Job Rotation at EYE Lighting Int'l

Employees at Ohio-based EYE Lighting International practice job rotation. "The employees love it because they don't get bored in their daily job," says company president Tom Salpietra. He adds that job rotation also minimizes repetitive strain injuries and "allows us a tremendous amount of flexibility" in work assignments.

Job Rotation



Job Rotation

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Job Design Practices That Motivate

Job Rotation

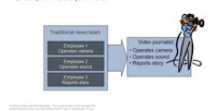
The practice of moving employees from one job to another

Benefits

- Minimizes health risks from repetitive strain and heavy lifting
- Supports multi-skilling which increases workforce flexibility
- Potentially reduces the boredom of highly repetitive jobs

Job Enlargement

- Adding tasks to an existing job
- Example: video journalist



Job Enlargement

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Job Enlargement

Adding more tasks to an existing job – increases skill variety

Example: Video journalist is an example of an enlarged job

- A traditional news team consists of a camera operator, a sound and lighting specialist, and the journalist who writes and reports the story
- One video journalist performs all of these tasks

Job Enrichment

Giving employees more responsibility for scheduling, coordinating, and planning work

1. Natural grouping
 - Stripping highly interdependent tasks into one job
 - e.g. video journalist, assembling entire product
2. Establishing client relationships
 - Directly responsible for specific clients
 - Communicate directly with those clients

Jon Enrichment

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Job Enrichment

Giving employees more responsibility for scheduling, coordinating, and planning their work

Job enrichment strategies:

1. Natural grouping – combining interdependent tasks into one job
 - ➔ e.g. video journalist completes an entire product (a news story)
2. Establishing client relationships – putting employees in direct contact with their clients -- supervisor isn't a go-between

Dimensions of Empowerment

Self-determination	Employees feel they have freedom and discretion
Meaning	Employees believe their work is important
Competence	Employees have feelings of self-efficacy
Impact	Employees feel their actions influence success

Dimensions of Empowerment

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Dimensions of Empowerment

Empowerment is a psychological concept with four dimensions:

Self determination

- Empowered employees feel that they have freedom, independence, and discretion over their work activities

Meaning

- Employees who feel empowered care about their work and believe that what they do is important

Competence

- Empowered employees are confident about their ability to perform the work well and have a capacity to grow with new challenges (self-efficacy)

Impact

- Empowered employees view themselves as active participants in the organization – their decisions and actions influence the company's success

Supporting Empowerment

- Individual factors
 - Possess required competencies, can perform the work, can handle decision making demands
- Job design factors
 - Autonomy, task identity, task significance, job feedback
- Organizational factors
 - Resources, learning orientation, trust

Supporting Empowerment

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Supporting Empowerment

Individual factors

- Possess competencies, can perform the work, can handle additional decision making demands

Job characteristics (job design factors)

- Autonomy, task identity, task significance, receive job feedback

Organizational factors

- Resources and information is accessible, learning orientation culture, employees are trusted

Self-Leadership

- The process of influencing oneself to establish the self-direction and self-motivation needed to perform a task
- Includes concepts/practices from goal setting, social cognitive theory, and sports psychology

Self-Leadership

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Self-Leadership

The process of influencing oneself to establish the self-direction and self-motivation needed to perform a task

Includes concepts/practices from:

- Goal setting
- Social cognitive theory
- Sports psychology – constructive thought processes

Elements of Self-leadership

1. Personal Goal Setting
 - Set goals for your own work effort
 - Apply effective goal setting practices
 - Requires a high degree of self-awareness
2. Constructive Thought Patterns
 - Self-talk – increases self-efficacy
 - Mental imagery
 - mentally practicing a task and anticipating obstacles
 - visualizing successful task completion

Elements of Self-Leadership

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Elements of Self-Leadership

1. Personal Goal Setting

- Set goals for your own work effort
- Apply effective goal setting practices
- Requires a high degree of self-awareness

2. Constructive Thought Patterns

- Self-talk – talking to ourselves about our own thoughts or actions
 - Positive self-talk increases self-efficacy
- Mental imagery – two parts (a) mentally practicing a task and anticipating obstacles, and (b) visualizing successful task completion

Elements of Self-leadership

- 3. Designing Natural Rewards
 - Finding ways to make the job more motivating
- 4. Self-Monitoring
 - Keeping track of one's progress toward a self-set goal
 - Using naturally-occurring feedback
 - Designing feedback systems
- 5. Self-reinforcement
 - "Taking" a reinforcer only after completing a self-set goal

Elements of Self-Leadership (cont'd)

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Elements of Self-Leadership (cont'd)

3. Designing Natural Rewards

- Finding ways to make the job more motivating
 - ➔ e.g. altering the way the task is accomplished – making slight changes to suit personal needs and preferences

4. Self-Monitoring

- Keeping track of one's progress toward a self-set goal
- Using naturally-occurring feedback
 - ➔ e.g. lawn maintenance employees can see improved lawn
- Designing feedback systems
 - ➔ e.g. arranging to receive a monthly report on sales levels

5. Self-reinforcement

- "Taking" a reinforcer only after completing a self-set goal
 - ➔ e.g. taking a break after reaching a pre-determined stage of your work

Predictors of Self-Leadership

- Individual factors
 - Higher levels of conscientiousness and extroversion
 - Positive self-evaluation (self-esteem, self-efficacy, internal locus)
- Organizational factors
 - Job autonomy
 - Participative and trustworthy leadership
 - Measurement-oriented culture

Predictors of Self-Leadership

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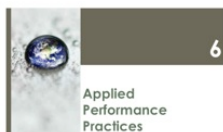
Predictors of Self-Leadership

Self-leadership activities more frequent among employees with:

- higher levels of conscientiousness and extroversion
- positive self-concept evaluation (self-esteem, self-efficacy, internal locus)

Organizations increase self-leadership when:

- employees are given more autonomy
- employees have an empowering/trusting rather than controlling boss
- company's culture emphasizes performance measurement



Applied Performance Practices

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Applied Performance Practices



SOLUTIONS TO CRITICAL THINKING QUESTIONS

1. **As a consultant, you have been asked to recommend either a gainsharing plan or a profit-sharing plan for employees who work in the four regional distribution and warehousing facilities of a large retail organization. Which reward system would you recommend? Explain your answer.**

Gainsharing plans are team rewards that motivate team members to reduce costs and increase labor efficiency in their work process. Profit sharing includes any arrangement where a designated group of employees receives a share of corporate profits.

In this situation, a gainsharing plan in each of the four regional facilities would probably be more appropriate. The main reason is that these employees would have a small effect on corporate profits, but could significantly influence costs in their respective facility. As noted in the textbook, rewards are more effective when employees have direct control over the outcomes measured for those rewards.

A related explanation is that gainsharing is team-based whereas profit sharing applies to all employees. The mandate here is clearly to introduce a reward system for people within the four facilities, not a reward for the entire organization.

2. **Which of the performance reward practices – individual, team, or organizational – would work better in improving organizational goals? Please comment with reference to an organization of your choice.**

Individual, team or organizational performance based rewards are likely to work differently depending on the type of organization. For example, in a research based organization, individual reward practices are likely to discourage researchers from sharing thoughts and ideas and any information related to their research with their colleagues. Team rewards are likely to work better because it will encourage researchers to come together as groups and will enhance within-group sharing practices. Organizational level rewards may create a culture where the researchers feel aligned with the organization's success, however, it may not work enough to motivate the poor-performers nor provide enough incentives for the top performers to work harder.

3. **Waco Tire Corporation redesigned its production facilities around a team-based system. However, the company president believes that employees will not be motivated unless they receive incentives based on their individual performance. Give three reasons why Waco Tire should introduce team-based rather than individual rewards in this setting.**

Waco Tire should definitely use team rather than only individual rewards in this situation. One reason is that the company probably won't be able to identify or measure individual contributions very well in the redesigned production facility.

Even if Waco Tire could distinguish individual performance, it should use team incentives because they tend to make employees more co-operative and less competitive. People see that their bonuses or other incentives depend on how well they work with co-workers, and they act accordingly.

The third reason for having team rewards in team settings is that they influence employee preferences for team-based work arrangements. If Waco Tire wants employees to accept and support the team-based structure, a team-based reward system would help to increase that acceptance.

4. What can organizations do to increase the effectiveness of financial rewards?

Link rewards to performance. Use objective performance criteria; ensure rewards are timely and significant enough to create positive emotions.

Ensure rewards are relevant. Reward people for performance within their control/influence and be ready to adjust performance measures due to factors beyond employees' control.

Ensure rewards are valued. Know your employee and what you need and want.

Watch out for unintended consequences. Use pilot projects to test the impact the reward will have on employees and make changes before implementing throughout the organization.

5. Most of us have watched pizzas being made while waiting in a pizzeria. What level of job specialization do you usually notice in these operations? Why does this high or low level of specialization exist? If some pizzerias have different levels of specialization than others, identify the contingencies that might explain these differences.

The answer to this question partly depends on how pizzas are made in your area. Our nonsystematic observation of pizza-making is that, in busy pizza places, several people are assigned to specific tasks. One person prepares the dough; one or more people fill the orders (puts ingredients on the pizza and places it in the conveyor or fixed oven); someone else unloads, cuts, and boxes the cooked pizzas. The person operating the cash register usually has the pizza unloading task. Other people perform the pizza delivery task.

This relatively high level of specialization occurs because it increases efficiency. Time is saved because employees don't change tasks. They develop their skills quickly in their assigned task (an important issue where pizza shops rely on students and other temporary part-time staff). This specialization also allows the store to assign people to tasks for which they demonstrate the best skill. For example, some people have better coordination at tossing the pizza dough so it spreads out evenly. Others have good physical strength to cut pizzas.

Students will probably identify different degrees of specialization than we have noted here. Smaller pizza shops may be operated by two people who share most tasks (except delivery). They might both prepare the pizzas as well as load and unload them from the oven.

Technology may also play a role in the division of labor. Conveyor-type ovens (uncooked pizza is placed on one end and cooked pizza comes out the other end) would allow two people to load and unload the pizzas, respectively. A fixed oven (where the pizza is loaded in and pulled out) might work better with one person because he/she keeps track of the cooking time.

Lastly, some students might note that jobs are generally specialized but there is job rotation throughout the shift. This might occur to minimize boredom and avoid repetitive strain injuries.

6. Can a manager or supervisor "empower" an employee? Discuss fully.

Empowerment refers to a feeling of control and self-efficacy that emerges when people are given power in a previously powerless situation. Empowered people are given autonomy -- the freedom, independence, and discretion over their work activities. They are assigned tasks that have high levels of task significance -- importance to themselves and others. In summary, empowerment is a psychological concept. Supervisors or managers cannot directly empower an employee. However, they can create a work environment where employees are more likely to experience empowerment. Some of these initiatives include:

- Ensuring employees have the necessary competencies to be effective
- Reducing bureaucratic control
- Designing jobs that provide task significance and task identify
- Ensuring employees have the information and resources they need
- Appreciating learning and recognizing mistakes are part of the learning employees
- Trusting employees

7. Describe a time when you practiced self-leadership to perform a task successfully. With reference to each step in the self-leadership process, describe what you did to achieve this success.

This question provides the opportunity for students to reflect on their own application and experience with self-leadership. Increasingly, corporate leaders desire to hire employees with the ability to demonstrate self-leadership. Reflecting on a time when you demonstrated self-leadership and describing your behaviors will prepare you to respond to an interview question designed to assess this valued competency. Responses will vary. Following are some considerations that an organizational recruiter may look for:

Personal goal setting. Establishing goals that were specific, results-oriented and challenging.

Constructive thought patterns. Engaging in positive self talk and/or using mental imagery to visualize successful completion of a task.

Designing natural rewards. Considering your own needs and preferences to make your job more motivating and satisfying.

Self-monitoring. Keeping track of your progress and/or ensuring you received feedback needed to enhance your performance.

Self-reinforcement. Using self-induced forms of positive reinforcement to reward yourself for completing a task or achieving a goal.

8. Can self-leadership replace formal leadership in an organizational setting?

Self-leadership is an applied performance practice that enhances and supports formal leadership in an organization.

Self-leadership is a process where people regulate their own actions and manage themselves most of the time. Effective formal leadership practices will still be needed in certain situations to ensure alignment of individual and team results with organizational goals.



CASE STUDY: YAKKATECH, INC.

Case Synopsis

This case describes events at the customer service centers of YakkaTech, Inc., an information technology services firm employing 1500 people throughout Washington and Oregon. YakkaTech relies on a ticket system, in which staff complete work for a specific “ticket” rather than serve one client all of the time. The system (as well as dramatically larger customer service centers) has resulted in several problems, including poorer customer service, employee indifference to client problems, slow response, and lack of staff knowledge about each client. Staff turnover has increased above the industry average. Employees report that the work is monotonous and they feel disconnected from their work results. The company increased pay rates and introduced a vested profit-sharing plan to improve morale and reduce turnover. Turnover dropped, but customer complaints and productivity remain below expectations or have worsened.

Discussion Questions with Suggested Answers

1. What symptom(s) in this case suggest that something has gone wrong?

This case identifies several symptoms, including poorer customer service, employee indifference to client problems, slow response, lack of staff knowledge about each client, high staff turnover (prior to reward system change), declining employee referrals, lower productivity. Students should distinguish these symptoms according to their causes (problem analysis).

2. What are the main causes of these symptoms?

(a) Jobs Have Low Motivational Potential

The main problem in this case is that the jobs have low motivational potential. Students need to analyze the motivational potential of these jobs by considering the five core job characteristics:

Skill variety -- Seems to be moderate because each ticket would result in some variety of tasks. However, staff say the work gets monotonous over time. Furthermore, staff are organized into departments, which may result in a narrow range of tasks performed by each person.

Task identity -- Some students might say task identity is high because staff complete an entire ticket. But is the ticket an entire task? The case suggests that managing the client's entire system (or subsystem, such as software maintenance, hardware, maintenance, etc) is the “whole task.” As such, the ticket system results in fairly low task identity.

Task significance -- This appears to be quite low because staff don't know how their work affects the client. Also, if they perform one small task for a particular client (low task identity), the significance of their work is less apparent, and likely perceived to be low.

Autonomy -- Not much information on autonomy. We don't know whether staff members need to follow precise procedures or whether they have a lot of freedom to conduct their work. However, the ticket system necessarily restricts autonomy regarding managing one's job duties, because staff are fed precise jobs to perform, rather than having the autonomy to arrange timing on when they perform a variety of jobs.

Job feedback -- The case indicates that employees receive very little job feedback. They don't know whether their actions produced a long-term or only brief solution to the problem, because a recurring problem results in a new ticket submitted randomly to another staff member. Furthermore, the case implies that staff have limited direct interaction with clients. Client feedback, including subtle verbal and nonverbal communication, can be considered a form of job feedback, so job feedback is low in this regard.

This diagnosis predicts that employees experience low meaningfulness in their jobs, a conditions which is verified in employee comments that they feel disconnected from the results of their work and that employees show little care towards client issues. Jobs with low motivational potential also result in lower job satisfaction and lower work effectiveness, both of which are apparent in this case.

(b) Poor Alignment of Money and Rewards

The latter part of this case stated that YakkaTech increased raise pay rates for its customer service staff to become among the highest in the industry. The assumption was that the high pay rates would improve morale and reduce turnover, thereby reducing hiring costs and improving productivity. In addition, YakkaTech introduced a vested profit-sharing plan, in which employees received the profit-sharing bonus only if they remained with the company for two years after the bonus was awarded. these actions reduced turnover because both were clearly linked to continued employment. the vested profit sharing plan punished those who quit because they lost up to two years of profit sharing bonus. the significant pay increase punished those who left because few other jobs in the industry paid as well.

However, the reward system was misaligned in other ways. First, these pay interventions were only remotely associated with individual job performance. Specifically, the profit sharing bonus would have been affected to a very small extent by each employees performance. This remote connection is unlikely to motivate employees to perform better, particularly in a company of this size and when the bonus is not paid out two years later. the pay system also relies heavily on individual membership, whereas it appears that these jobs have a degree of interdependence, such as working with the on0site team or sharing a ticket with people in another department. Thus, the individual reward plan was minimally aligned with the work.

(c) Continuance Commitment from Golden Handcuffs

Some students will analyze this case, in part, from the perspective of continuance commitment. Specifically, the company introduced a vested profit-sharing plan, in which employees receive the profit sharing bonus for that year only if they remain with the company for the subsequent two years. This situation creates continuance commitment, in which it becomes more costly to leave the company -- employees who quit or are sacked for just cause lose up to two years of profit sharing bonus. Continuance commitment tends to produce lower job performance and lower job satisfaction, both of which occurred in this case after the vested profit-sharing plan was introduced.

(d) Exit-Voice-Loyalty-Neglect (EVLN)

Some students might apply the EVLN model. In this case, however, EVLN is more a description of what happened rather than any explanation. Exit (high turnover until pay incentive introduced); Voice (indirect complaints to mgt, survey results); Loyalty (not much evidence of this); Neglect (poor service, not passing on jobs).

3. What actions should YakkaTech executives take to correct these problems?

The clearest action in this case is to reorganize jobs to increase their motivational potential as well as improve coordination for interdependent work. Job enrichment around establishing client relationships seems to be well-suited to this situation. In effect, individuals (or more likely, teams) would be organized around clients such that clients approach the same staff for all of their IT problems and needs. Staff members would feel a greater sense of task significance and task identity. They would develop a better understanding of the client's needs for each incident, would develop better feedback about the effectiveness of their interventions, and would feel more responsibility for their actions (because of greater psychological closeness to the client).

A second solution is to revise the reward and recognition practices so they are aligned with the work and desirable attitudes and behaviors. If jobs are redesigned around teams and clients, then a team-based reward system could be considered because specific people can be identified with specific long-term client successes and failures. Profit sharing might remain, but more proximate rewards are preferred.



TEAM EXERCISE: IS STUDENT WORK ENRICHED?

Purpose

This exercise is designed to help students to learn how to measure the motivational potential of jobs and to evaluate the extent that jobs should be further enriched.

Instructions (Small Class)

Being a student is like a job in several ways. You have tasks to perform and someone (such as your instructor) oversees your work. Although few people want to be students most of their lives (the pay rate is too low!), it may be interesting to determine how enriched your job is as a student.

Step 1: Students are placed into teams (preferably 4 or 5 people).

Step 2: Working alone, each student completes both sets of measures in this exercise. Then, using the guidelines below, they individually calculate the score for the five core job characteristics as well as the overall motivating potential score for the job.

Step 3: Members of each team compare their individual results. The group should identify differences of opinion for each core job characteristic. They should also note which core jobs characteristics have the lowest scores and recommend how these scores could be increased.

Step 4: The entire class will now meet to discuss the results of the exercise. The instructor may ask some teams to present their comparisons and recommendations for a particular core job characteristic.

Instructions (Large Class)

Step 1: Working alone, each student completes both sets of measures in this exercise. Then, using the guidelines below, they individually calculate the score for the five core job characteristics as well as the overall motivating potential score for the job.

Step 2: Using a show of hands or classroom technology, students indicate their results for each core job characteristics. The instructor will ask for results for several bands across the range of the scales. Alternatively, student can complete this activity prior to class and submit their results through online classroom technology. Later, the instructors will provide feedback to the class showing the collective results (i.e. distribution of results across the range of scores).

Step 3: Where possible, the instructor might ask students with very high or very low results to discuss their views with the class.

Comments to Instructors

This exercise is self-explanatory. The answer key is provided in the textbook for students to score their own results. They can also complete this self-assessment online, with automatic scoring and documented feedback.

Students tend to enjoy this exercise because it forces them to evaluate something that is central to them (particularly full-time students). Be prepared for some searching questions about why some instructors don't make student work more enriched! Here are some discussion activities for this exercise.

1. Compare student enrichment scores with those of other jobs. The average scores of the five core job characteristics and MPS for selected job groups are presented in the exhibit below. (This information is not provided in the textbook.)
2. Determine where students are least enriched in their work, and determine how this could become more enriched. In other words, after identifying the weakest core job characteristic(s), identify job enrichment strategies that would raise the motivating potential score for students along this or these dimensions.

Motivating Potential Scores for Selected Job Groups

Variable	Managerial	Clerical	Sales	National (U.S.)
Skill Variety	5.6	4.0	4.8	4.7
Task Identity	4.7	4.7	4.4	4.7
Task Significance	5.8	5.3	5.5	5.5
Autonomy	5.4	4.5	4.8	4.9
Job feedback	5.2	4.6	5.4	4.9
MPS	156	106	146	128



SELF-ASSESSMENT: WHAT IS YOUR ATTITUDE TOWARD MONEY?

Purpose

This exercise is designed to help students to understand the types of attitudes toward money and to assess their attitude toward money.

Overview

Money is a fundamental part of the employment relationship, but it is more than just an economic medium of exchange. Money affects our needs, our emotions, and our self-perception. People hold a variety of attitudes towards money. One set of attitudes, known as the “money ethic”, is measured in this self-assessment.

Instructions

Students are asked to read each of the statements in the survey instrument and circle the response that they believe best reflects their position regarding each statement. Student then use the scoring key in Appendix B to calculate their results., or they can have the results self-scored by using the student CD.

Feedback for the Money Attitude Scale

This self-assessment generates considerable interest among students, not surprising given the interest that most people have about money.

This money attitude scale estimates the person’s overall “money ethic” as well as scores on its three dimensions: money as power/prestige, retention time, and money anxiety. Each subscale has a potential score ranging from 4 to 20 points; the overall money attitude scale has a range from 12 to 60 points. Higher scores indicate that the person has a higher level of each attitude. The following tables indicate the range of scores among a sample of over 200 MBA students.

Money as Power/Prestige

People with higher scores on this dimension tend to use money to influence and impress others. Scores on this subscale range from 4 to 20. The average score among a sample of MBA students was 9.9.

Score	Interpretation
12 to 20	High power/prestige score
9 to 11	Moderate power/prestige score
4 to 8	Low power/prestige score

Retention Time

People with higher scores on this dimension tend to be careful financial planners. Scores on this subscale range from 4 to 20. The average score among a sample of MBA students was 15.

Score	Interpretation
17 to 20	High retention time score
14 to 16	Moderate retention time score
4 to 13	Low retention time score

Money Anxiety

People with higher scores on this dimension tend to view money as a source of anxiety. Scores on this subscale range from 4 to 20. The average score among a sample of MBA students was 12.8.

Score	Interpretation
12 to 20	High money anxiety score
9 to 11	Moderate money anxiety score
4 to 8	Low money anxiety score

Money Attitude Total

This is a general estimate of how much respect and attention you give to money. Scores on this total scale range from 12 to 60. The average score among a sample of MBA students was 37.6.

Score	Interpretation
41 to 60	High money ethic score
35 to 40	Moderate money ethic score
16 to 34	Low money ethic score