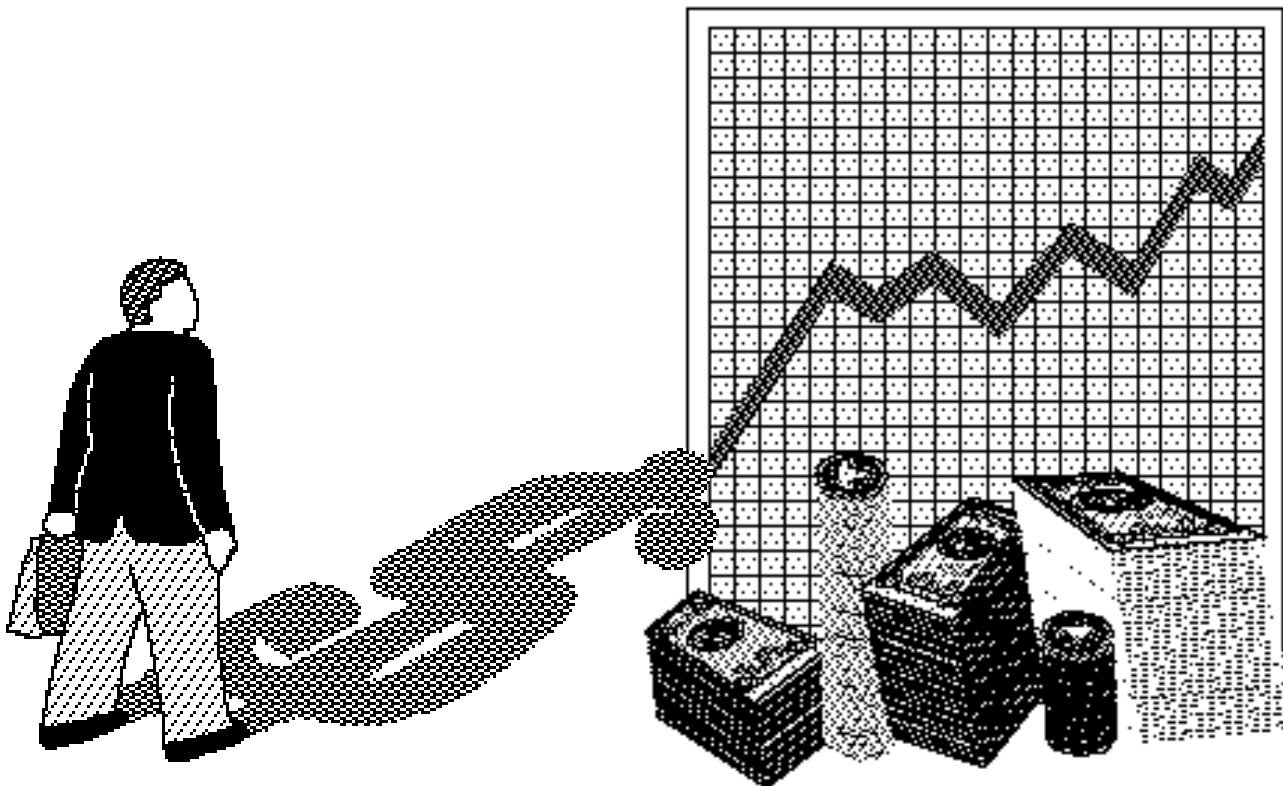


Motivation and Rewards

A Holistic Model




Introduction to Reward System Logic




1. Typically, the High Performers Are the Most Dissatisfied Members in the Organization—Since They Do Not Receive Significantly More Rewards Than the Low Performers
2. Meanwhile, the Low Performers Are the Most Satisfied Members—Since They Receive Almost the Same Rewards as the High Performers for Doing Much Less Work!

Introduction to Reward System Logic (+)



3. But the High Performers (Based on Their Skills and Accomplishments) Usually Have More Job Alternatives Than the Low Performers
4. Thus the High Performers (the Dissatisfied Members) Are More Inclined to Leave the Organization While the Low Performers (the Satisfied Ones) Remain

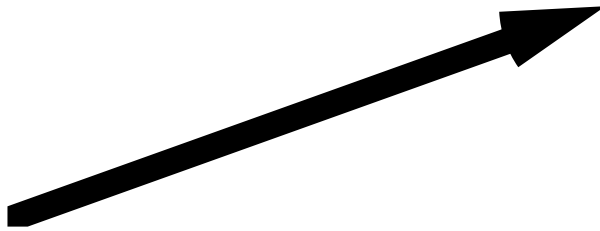
Introduction to Reward System Logic (+)



5. This Migration of Personnel Neither Represents a Desirable Human Resources Strategy Nor Supports Long-Term Organizational Success
6. Alternatively, Designing and Implementing a Performance-Based Reward System Not Only Attracts and Retains High Performers But Also Motivates Them to Excel!

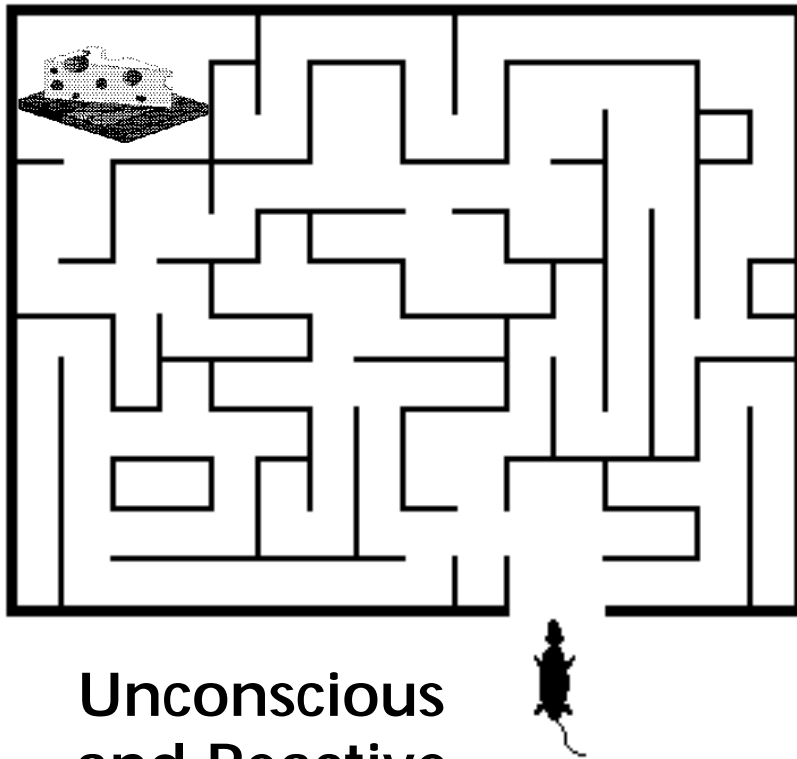
Two Models of Motivation

- What Determines:
 - The Direction of Behavior?
 - The Intensity of Behavior?



- Two Theories:
 - The Rat Model
 - The People Model

The Rat Model



**Unconscious
and Reactive**

Behavior = Drive x Habit

D x H

The People Model

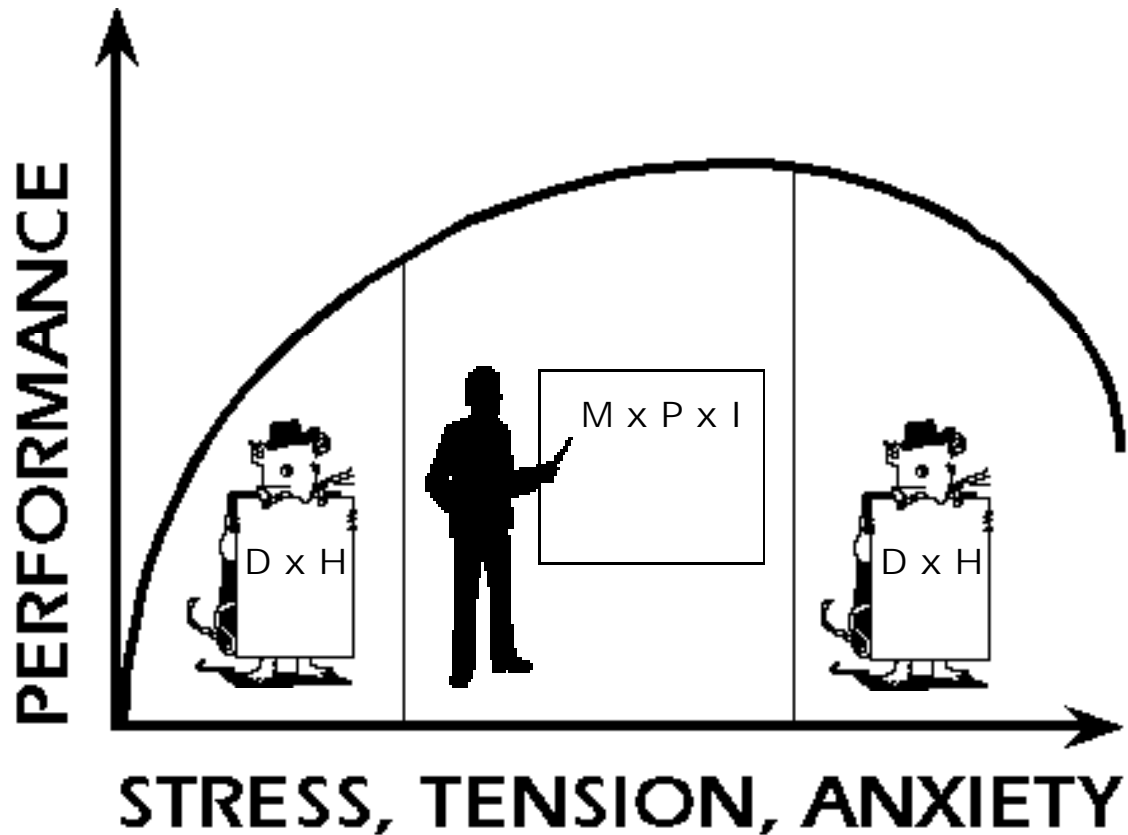


Conscious and Proactive

Behavior = Motive x
Probability x Incentive

$M \times P \times I$

Combining the Two Models



**The Reward System Should
Provide Moderate Levels of
Stress, Tension, and Anxiety**

What People Want and Need

- Self-Actualization

M x P x I

- Esteem

- Belongingness

- Safety

- Physiological
Comfort

D x H

Types of Rewards



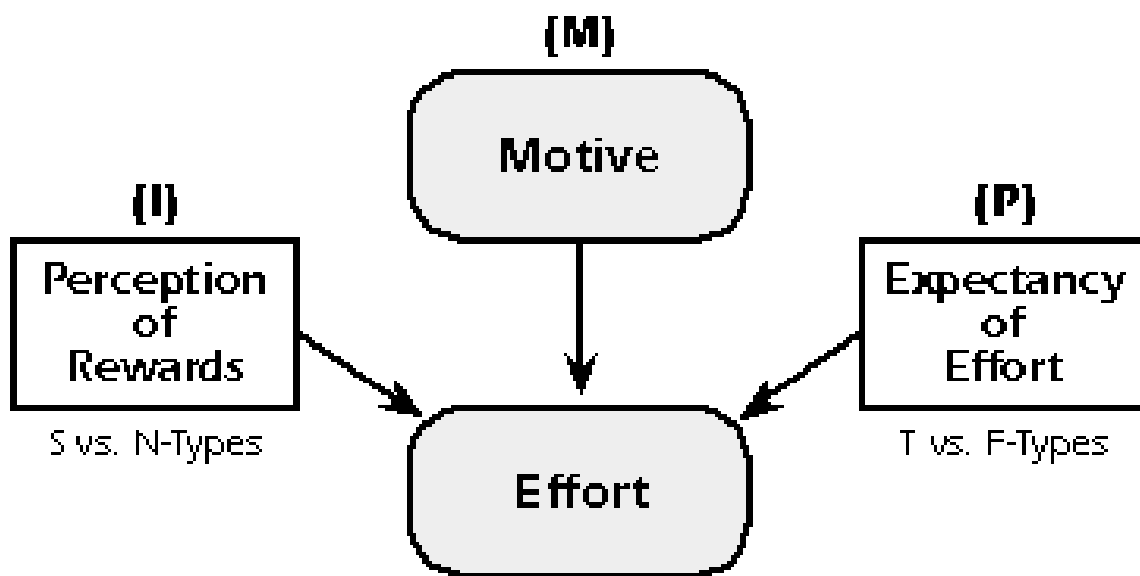
- Intrinsic Rewards
 - Being Able to Express Your Talent
 - Working on a Challenging Task
 - Being with People You Like
 - Having Freedom to Make Decisions
 - Learning and Growing
- Extrinsic Rewards
 - Salary
 - Promotion
 - Bonus
 - Title
 - Office
 - Parking Space

Introduction to Holographic Performance



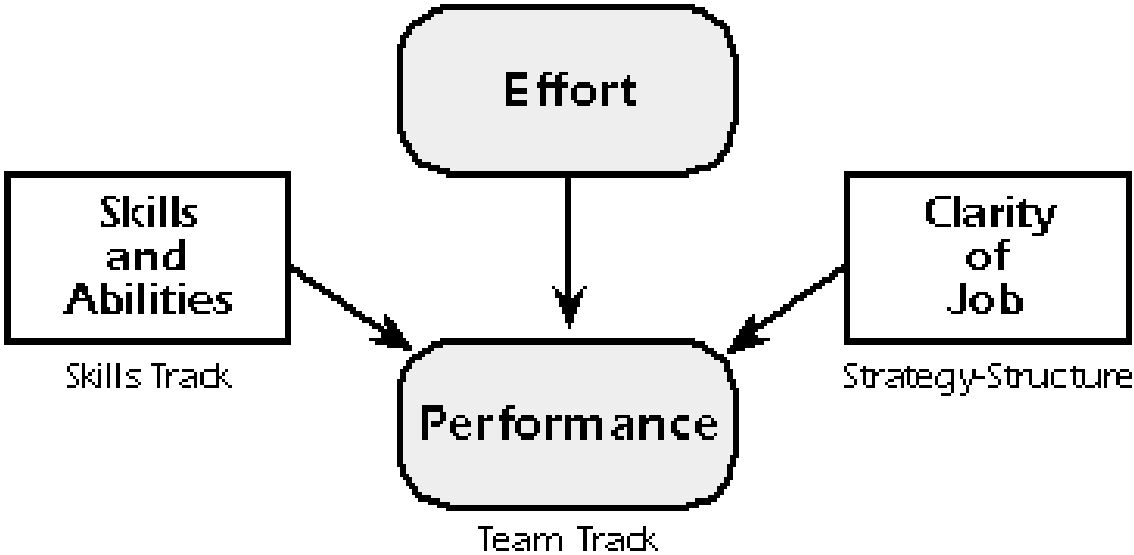
- Key Concepts:
 - Motive
 - Effort
 - Performance
 - Satisfaction
- Key Links:
 - From Motive to Effort
 - From Effort to Performance
 - From Performance to Satisfaction

Motive to Effort



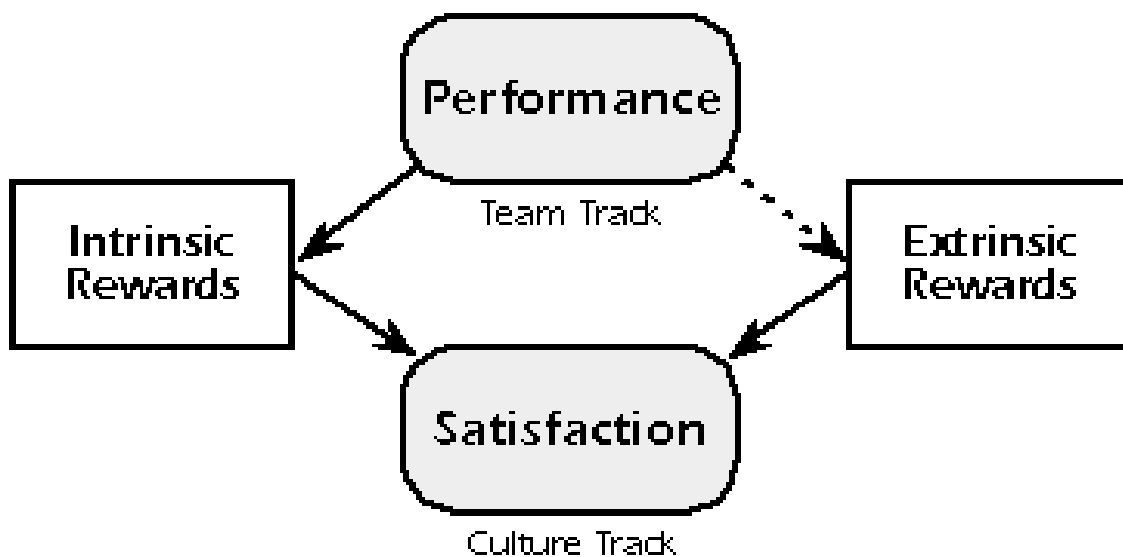
Effort Is a Multiplicative Product of Motive (M), Expectancy of Effort (P), Perception of Rewards (I)

Effort to Performance



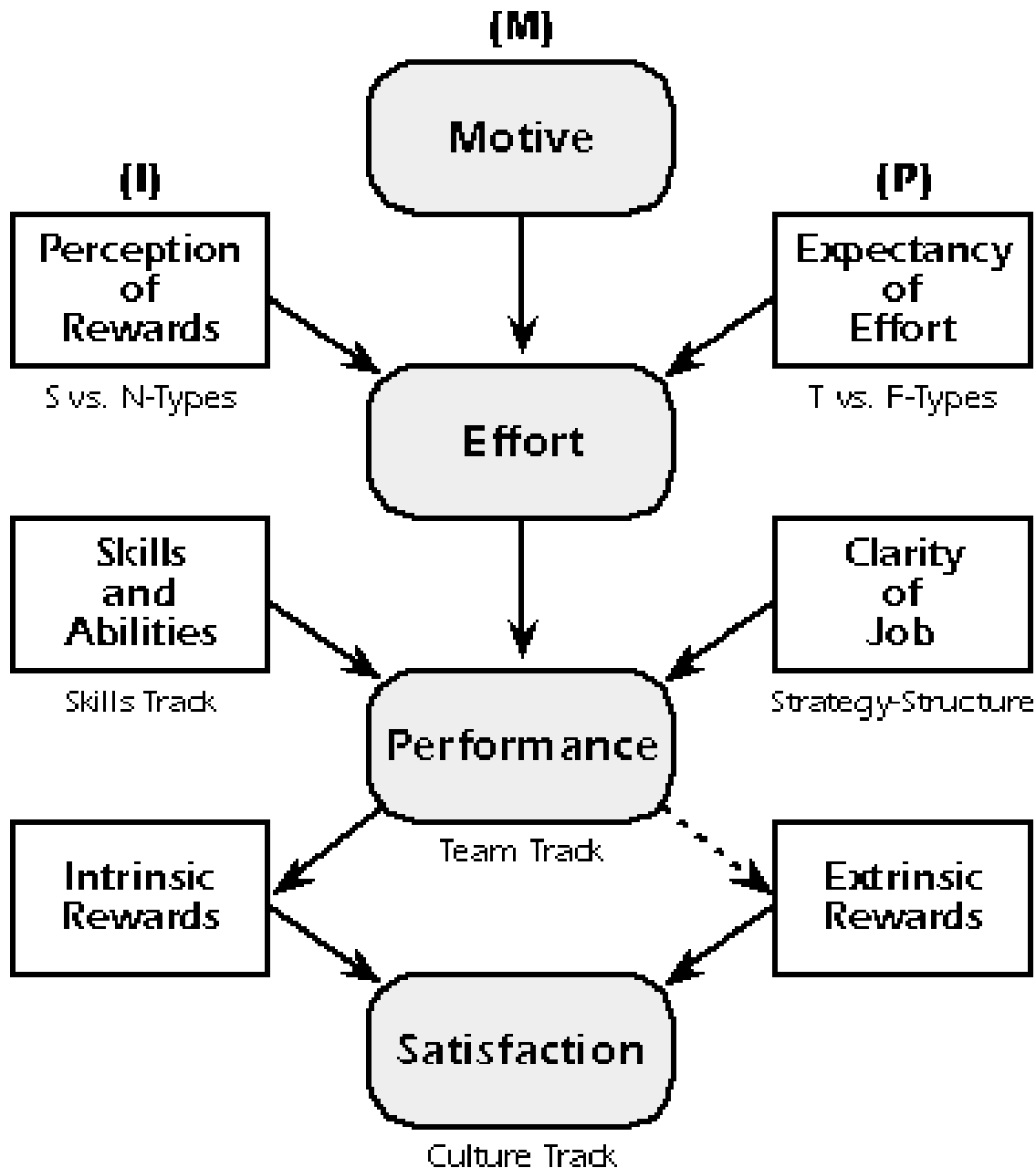
**Performance Is a
Multiplicative
Product of Effort,
Skills and Abilities,
Clarity of Job**

Performance to Satisfaction

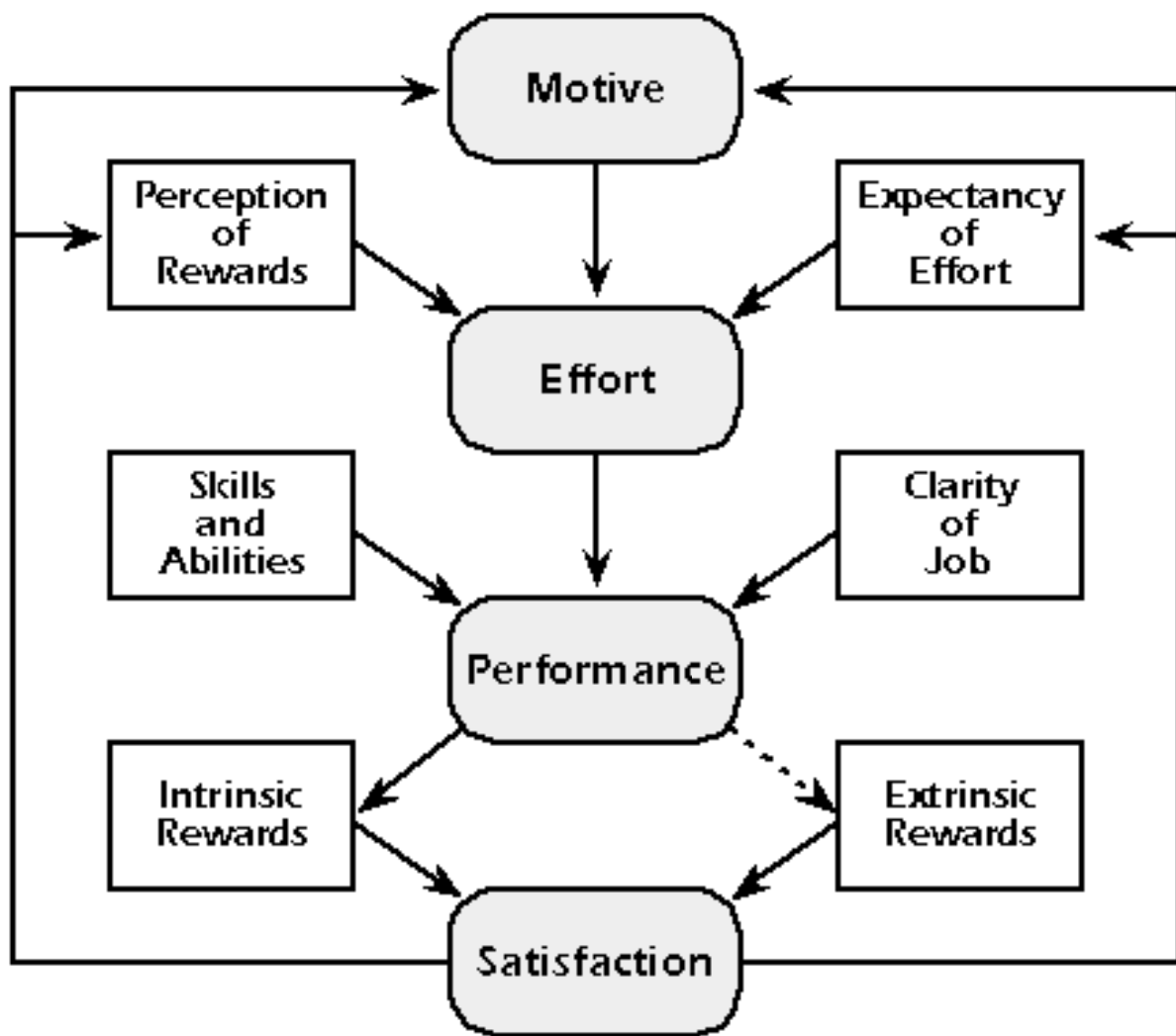


**Satisfaction Is an
Additive Function of
Intrinsic Rewards and
Extrinsic Rewards**

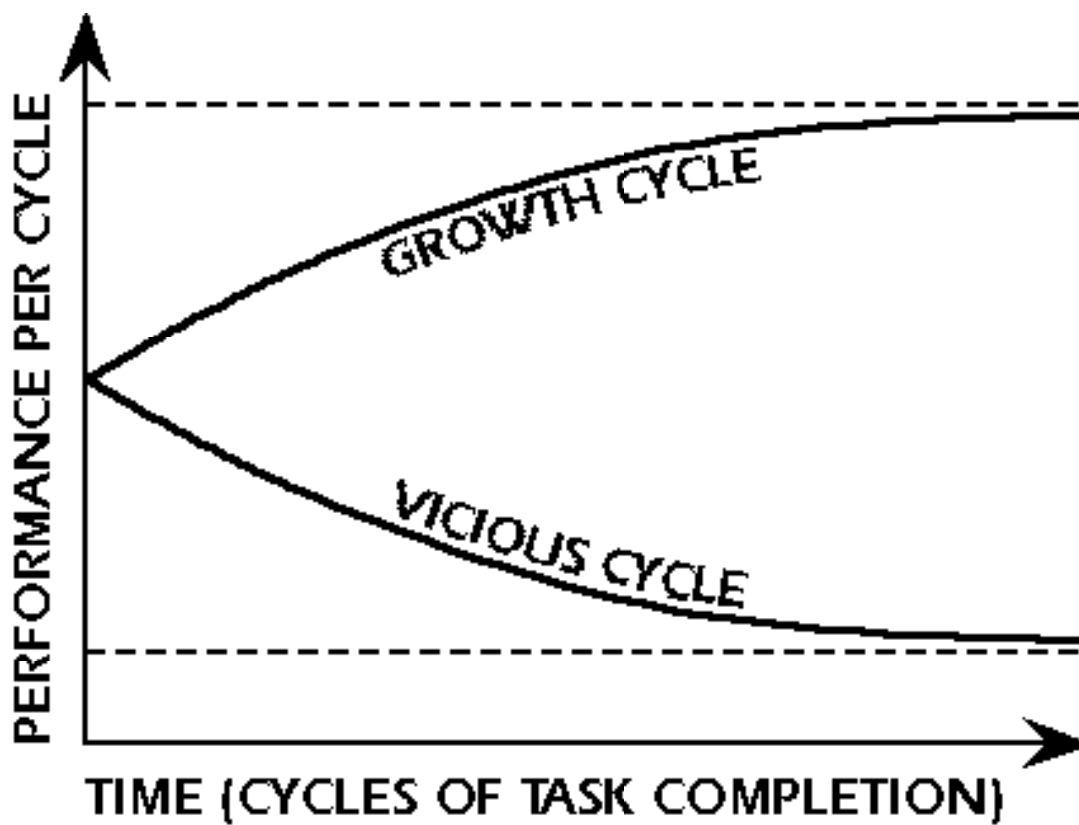
One Whole Cycle



Additional Cycles: Organizational Learning



Growth or Vicious Cycle?



Holographic Questions



- Can Members Be Influenced to Want What the Organization Provides?
- Can the Amount and Mix of Extrinsic and Intrinsic Rewards Be Adjusted?
- Can the Perception of Rewards Be Adjusted (S vs. N-Types)?
- Can the Process by Which Members Make Expectancy Decisions Be Influenced (T vs. F-Types)?
- What Does the Culture Reinforce?

From Motive to Effort

Holographic Questions (+)



- Can the Organization Enhance Its Skill Base Through Better Selection, Job Training, Employee Development, and Educational Programs?
- Can Job Clarity Be Improved So That Effort and Skills Are Applied to the Right Tasks with the Right Objectives?
- Can the Clarity, Consistency, and Objectivity of Performance Criteria Be Improved for Each Job?

From Effort to Performance

Holographic Questions (+)



- Can Intrinsic and Extrinsic Rewards Be Distributed According to Objective Measures of Performance?
- Can Members Openly Express Their Job Satisfaction? Can They Give and Receive Positive Feedback About High Performance?
- Can the Organization Take Active Steps to Foster a Credible—Believable—Reward System That Deserves the Respect of Its Members?

From Performance to Satisfaction

A Crucial Issue



- For Members to Decide Whether It Is Worthwhile to Work Hard and Do Well, They Must Have Accurate and Timely Information on:
 1. The Criteria for High Performance
 2. The Rewards for High Performance
 3. The Performance Ratings for Others Working at Similar Jobs
 4. The Rewards Distributed to These Other Employees

**If Members Are Not
Given This Information,
They Will Invent It!**