Can you directly motivate employees? Exploding the myth

Stephen Flynn

Stephen Flynn is Human
Resources Director, Office
Depot Ltd, Leighton
Buzzard, UK.

Introduction

As managers, we are in the ''motivation game.'' Central to this is the ''deal'' between the employer and the employee; or to put it into more fashionable language, the psychological contract. The management literature encourages us to harness this contract in order to tap into employees' discretionary effort. However, as I will show, the more we try and manage employee motivation directly, the more it will elude us.

The psychological contract

Let's start by being clear about what we mean by the psychological contract. It has been defined as: ''an individual's beliefs about the terms of their relationship with the organisation that employs them'' (Boxall and Purcell, 2003). Originally the two types of psychological contract were described as transactional or relational. These two original definitions can be taken as descriptions of two polar extremes as outlined in Table I.

Very quickly in the literature these descriptions were changed into a management tool. This tool was available for executives to apply to their organizations. Management was thus presented with a choice over its preferred psychological contract. The contract is now offered as a key means of translating strategy into HR and management programs and practices. Table II sets out one framework that illustrates the choice put to management (Brown, 2001).

So, the psychological contract is currently recommended as the tool to strike a new deal between employer and employee.

Maturity levels

Before we can return to employee motivation we must first explain the concept of ''organisational maturity levels'' (Flynn, 2010). A maturity level is a stage of capability that is ''an evolutionary plateau on an organizational improvement path'' (Curtis *et al.*, 2002). For our practical purposes in dealing with motivation, we will briefly illustrate four such levels (see Table III).

At Level 1, the organizational members aim to comply with the demands of internal and external regulations which are imposed by all of the organization's stakeholders. Compliance is, however, minimal. Most achievements at this level are through heroic efforts. Hence the model of management is just that – heroic. However, there are few effective control systems, other than the basic financial ones. Business processes are varied and inconsistent. Managers and employees ''get by'' or ''get away with it.'' The organization is characterized by a sense of ''irresponsible autonomy.'' As controls are minimal or absent,

Table I

Transactional contracts	Relational contracts
Specific economic conditions (e.g. wage rate) as primary incentive	Emotional attachment as well as economic exchange
Limited personal involvement in the job (e.g. working relatively few hours, low emotional attachment)	Whole-person relations (e.g. growth, development)
Close-ended time frame (e.g. seasonal employment, two to three years on the job at most)	Open-ended time frame (e.g. indefinitely)
Commitments linked to well-specified conditions	Both written and unwritten terms (e.g. some terms emerge over time)
Little flexibility (change requires renegotiation of contract)	Dynamic and subject to change during the life of the contract
Use of existing skills	Pervasive conditions (e.g. affects personal and family life)
Unambiguous terms readily understood by outsiders	Subjective and implicitly understood (i.e. conditions difficult for third party to understand)

Table II

Psychological contract	Leased talent	New paternalism	Employee owners
Key message	''We will give you a great CV''	''We will take care of you''	''We will build success together''
Key reward tools	Competency-based Job families Individual incentives Personal contracts	Job evaluation Profit-sharing Good benefits Promotions	Broad bands Team-based pay Share schemes Personal development
Focus of pay system	Replacement value in market	Job value in career structure	Business value in flat hierarchy
Focus of pay competitiveness	Retaining key talent	Entry-level recruitment	All staff, aggressive total pay
Pay structure	Market rates, job family structures	Broad grades	Broad bands
Reward for high performers	High base salary	Promotion	High bonuses
Variable pay	Individual and project incentives	Corporate, e.g. profit share	Value-based, business challenge and team incentives

Table III Organizational maturity levels

Level 1	Compliance management
Level 2	Process management
Level 3	Capability management
Level 4	Strategic management

employees have a significant degree of freedom to do as they see fit. However, this autonomy is effectively misused or abused.

At Level 2, the organization concentrates upon controlling the basic work practices, especially at the unit level (Curtis *et al.*, 2002). Business processes are systematically mapped and standardized. There is an air of process discipline throughout the organization. This borders on the bureaucratic and each work activity has its own standard operating procedure (SOP) to guide employees. You will recognize this organization by its range of policy and procedure manuals. The organization starts to follow an ''organising principle'' which tends to be rigidly functional in structure.

At Level 3, the organization is focused on raising the capabilities of its systems, processes and people through continuous improvement (CI). Management systematically uses

"toolkits" such as Six Sigma to guide CI. Project management becomes a discipline in itself. Forecast and actual project benefits are analytically tracked. The organization is managed using a range of measurements, for example key performance indicators (KPIs).

At Level 4, the organization is guided by a fully integrated business strategy. The vision and the values are lived and an open systems approach is manifest. The organization has a clear common purpose and delegation goes to the "lowest" possible level within the hierarchy as a consequence. There is a culture of "responsible autonomy."

Employee motivation and maturity levels

We can now return to employee motivation. There are a number of motivational frameworks that we could use; however, we have chosen the "motivations" described by Warr (2007). We will match each "motivation" with its appropriate maturity level. All motivations are possible at all maturity levels, but "higher" motivations are problematic at "lower" maturity levels. For clarity, where an employee motivation is introduced it has been italicized in the text. All motivations and maturity levels are summarized in Table IV.

Maturity level 1: compliance management

At this level of maturity, there is an almost total reliance upon *extrinsic motivation*. Management follows a "stick and carrot" approach. *Money* is seen as the prime motivator and the exclusive solution to "employee problems". Employees are expected to be driven by such incentives: it is felt that they are only "in it" for the money. The psychological contract is thus transactional and short-term. Other hygiene factors are generally neglected. Ambiguity tends to be high so job insecurity exists. Overall, management keep throwing money at employees in a desperate attempt to "motivate" them.

Maturity level 2: process management

Money still exists at this level so is still a relevant motivation. However, as process management improves a wider assortment of motivations emerges.

The process of personal appraisals is introduced at this level (Flynn, 2010). Management by objectives (MbO) is evident and SMART goals are set. This provides employees with the motivation of *externally generated goals*.

Jobs are tightly defined at this level. A degree of *role* and *environmental clarity* arises for employees. To support the effective operation of the SOPs, basic job training is offered which gives the opportunity for *skill use*.

Table IV	Employee motivation and maturity levels		
	Organizational maturity level	*HR maturity level*	*Employee motivation*
1	Compliance management	Initial	Money Contact with others
2	Process management	Foundation	Externally generated goals Environmental and role clarity Security Opportunity for skill use Supportive supervision Equity (horizontal and vertical)
3	Capability management	HR agenda	Valued social position Variety Career opportunity and progression
4	Strategic (culture) management	Integrated people strategy	Opportunity for personal control Equity (horizontal, vertical *and* personal)

Hygiene factors are addressed at this maturity level, so through health, safety and welfare (e.g. Safe Systems of Work), *physical security* is attained to a large extent.

In common with the operating procedures, other processes associated with human resources such as discipline, grievance and consultation are standardized. These are guided by the principles of natural justice, so early signs of *equity* emerge.

Finally, to support SOPs and all the other HR aspects associated with this level of maturity, basic job training is provided for managers and especially first line managers This helps to build a *supportive supervisory environment* for employees.

So, at maturity level 2, we start to see the foundations being built for a broader range of motivations. This is enhanced at higher maturity levels.

Maturity level 3: capability management

Again, all the motivations that arose at levels 1 and 2 are available at level 3.

The organizational structure at this maturity level is not only functional but also delayered. There is greater clarity of the unique purpose not only of each role but also of each level in the managerial hierarchy. This enables the creation of functional career frameworks. Employees thus have clearer *career opportunities* and also the chance of gaining *valued social positions* within the organization.

Jobs were narrowly defined and restricted at maturity level 2. The emergence of CI at level 3 broadens jobs into roles and introduces job enlargement. This offers employees *task variety*. The targets associated with CI, the short-interval measurements and the KPIs in the Performance Management Systems further enhance *goals* for employees as a motivational element. This short-interval measurement gives greater opportunity for feedback, which further enhances *role clarity* (Warr, 2007).

Maturity level 4: strategic management

As we saw above, the motivations that we associate with lower levels are still present at level 4.

At this ''higher'' maturity level, a full intrinsic motivational framework is available. The culture of ''responsible autonomy'' enables *personal control* (Warr, 2007, pp. 149-52). Roles develop beyond maturity level 3 and now job enrichment applies, further enhancing *variety*.

The reward agenda evolves to enable vertical, horizontal and now personal *equity* (Flynn, 2010). At maturity level 4 the procedural equity, which first arose at level 2, is enhanced by the emergence of distributive justice, where all employees believe that they receive their fair share of overall rewards within the organization.

So, before a motivation can be readily available to employees, the related maturity level must first be established. In other words, the environment must be right.

Discussion

So much for the theory; what about the practical implications? Some examples may help.

If you and your management team want to ''empower'' employees, then you need to be at maturity level 4. Well, personal control as a motivation is not readily available until strategic management is attained. Any attempt to create empowerment at lower maturity levels will fail, as the environment will not be supportive. In fact, even if it were successful,

empowerment below level 4 is likely to recreate the ''irresponsible autonomy'' that we associate with level 1.

If the deal you wish to craft involves extensive career opportunities in the business, and you assess that you are at level 1, can you leapfrog to level 3? This will not be sustainable (Curtis *et al.*, 2002). The foundations built at level 2 that support the developments in level 3 would be absent. All those business and HR processes that act as the bedrock for higher levels would be missing. The organization would soon collapse back into level 1.

And finally in this discussion, perhaps you wish to drive improvements through individual performance-related pay (PRP). All other indicators suggest you are at level 2. Well, this type of PRP scheme requires detailed measurement of individual performance. This is not readily available until level 3 is attained. Such a PRP system is likely to create dysfunctional behavior and de-motivate employees.

Summary

We started this article by introducing the psychological contract. We saw how this has shifted from being merely a description of the unconscious ''deal'' to becoming a management tool. This tool could then to be used consciously to craft a new deal between employer and employee. This deal would then motivate the employee.

We then looked at a range of motivations. We showed how each related to the maturity level of the organization. So, depending upon the actual maturity level, only some motivations are available to the organization. The ''choice'' of psychological contracts is thus limited by the actual maturity level. Moreover, motivations are actually a function of the maturity level and not a tool *directly* available to management. The more management try directly to manage the motivation of employees, the more this becomes extrinsic motivation which we associate primarily with maturity level 1. The more we apply extrinsic motivation the more it damages intrinsic motivation.

Motivation has been transformed from a scientific concept into a managerial tool of control. Fundamentally, motivation only becomes a problem when the inherent meaning of work is lost. Employees have then to be ''motivated'' by managers. Employees are hence depicted as passive and immature. People, as employees, have therefore to be ''managed'' by being ''motivated.''

Motivation is personal and internal. It is not manageable directly – we cannot ''do'' motivation to employees. The maturity level is the ''environment'' in which each motivation may (or may not) thrive. As managers and employers we should work on this ''environmental management,'' put meaning back into work and leave employees to their own motivational devices.

References

Boxall, P. and Purcell, J. (2003), *Strategy and Human Resource Management*, Palgrave, Basingstoke.

Brown, D. (2001), *Reward Strategies*, Chartered Institute of Personnel and Development, London.

Curtis, B., Hefley, W.E. and Miller, S.A. (2002), *The People Capability Maturity Model*, Addison-Wesley, Reading, MA.

Flynn, S.M. (2010), *Linking Human Resource Strategy and Practice: An Integrated Framework*, Matador, Leicester.

Warr, P. (2007), *Work, Happiness and Unhappiness*, Lawrence Erlbaum Associates, Mahwah, NJ.

Corresponding author

Stephen Flynn can be contacted at: s.flynn397@btintenret.com