Motivational Strategies: Ways to Increase Performance and Productivity

Prepared for:

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**Preface**

Owners and managers of businesses across the United States all have the same problem. This problem has to do with reaching maximum employee performance and productivity. Many owners and managers do not know how to correct this major problem.

The purpose of this report is to provide employers with a wide range of motivational strategies for achieving excellence by enhancing employee performance and productivity. My role in relation to this problem is to decide as an employee which strategy I would like imposed on me. However, sometimes the employee does not have a choice. My role as a writer of this report is to inform owners and managers of different motivational strategies they can utilize.

During my research I have compiled several motivational strategies I believe are excellent. These strategies include organizational behavior modification, rewarding high performance, setting goals, building effective work teams, reducing employee stress, and enhancing employee participation. I have included examples of these strategies used by companies who had performance and productivity problems.

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**Executive Summary**

This report examines the necessity employer’s face in trying to improve employee productivity. Many times employees can get side-tracked or slowed down for a number of reasons. It is the employer’s job to motivate these employees and increase employee productivity. The best way to accomplish this is by using motivational strategies. Far too many businesses fail to reach their maximum production because they don’t motivate their employees.

There are many motivational strategies that can be used effectively. Setting goals, rewarding high performance, and enhancing employee participation are a few motivational strategies that businesses often use. However, employers must find the strategy that best suites them and their employees. The one thing every motivational strategy needs is employee acceptance and response.

Below is a table that lists the elements of a performance improvement program.

graphic would be inserted here

Source: R. B. McAfee and P.J. Champagne, Motivational Strategies For Performance and Productivity. (Connecticut: Quorum Books,1989) p.7.

Introduction

The purpose of this report is to provide employers with a wide range of motivational strategies for achieving excellence by enhancing employee performance and productivity. Every employer or manager strives to maintain a highly productive work force.

These strategies apply to managers of big corporations, which have many employees. This report will take a problem/solution approach. I have conducted research by collecting information out of books, magazine articles, and journals.

II. Problem

" It is virtually impossible to find a reasonably well-informed business person today who is not aware of the productivity problem in American industry. For the last ten years, productivity has clearly been the most widely discussed topic in business publications, management seminars, industry conferences, and executive offices." "Management ineffectiveness is by far the single greatest cause of declining productivity in the United States. . . . In company after company, managers are ignoring major opportunities for productivity improvement, (Champagne and McAfee,

1)." This problem is critical and cannot be ignored or delayed until a later date. Managers must take the initiative and resolve the problem with some of the following solutions.

III. Organizational Behavior Modification

A. Emery Air Freight

Perhaps the most well-known industrial application of a reinforcement-based strategy occurred at Emery Air Freight. "As a first step, Emery conducted a performance audit in order to determine the statuses of employee behavior before any systematic behavior change plans were implemented. Based on the audit, the firm set standards or goals for each job in various departments. The second step involved providing feedback designed to let employees know how they were performing according to these standards.

The third procedure was to administer positive reinforcement to employees for anything they were presently doing on the job that was desirable or for any improvement in their job performance, (Rosenbaum, 59)."

Emery Air Freight had a cargo handler whose attendance was unsatisfactory. The supervisor used positive reinforcement and feedback to improve his attendance. He would reward the employee and at the same time give him a reminder of the company goal.

**B. Successfulness**

How successful has Emery Air Freights approach been? "Before behavior modification was introduced in the customer service department, company standards were met only 30 to 40 percent of the time. The program increased this figure to 90 to 95 percent, and even after four years performance remained at this high level. From a financial viewpoint, behavior modification was a success also. During one three year period Emery saved over three million dollars. At the same time, the costs of implementing the program averaged only $5150 per year, (Rosenbaum, 60)."

**IV. Rewarding High Performance**

There are many different rewards that can be given out for high performance. Some of these include merit raises, bonuses, individual and group financial incentive programs, and merchandise recognition incentives.

**A. Sterling Optical Company**

Sterling Optical Company, a retail optical company, has developed a program based on monetary incentives and awards. The program consists of two parts. "First employees receive awards when the branch attains its sales target. These awards are designed to encourage employees to help the branch achieve its sales goals for each quarter and the year.

In addition, the company distributes cash awards to each employee for the branches sales of specific products determined each quarter. The second part of Starlings incentive program is to give employees awards for outstanding service to the branch and to the patients. Savings bonds, certificates, and plaques are given as awards, (Champagne and McAfee, 59)."

**B. Costs**

This program is extremely effective but also costly to the Sterling. The program reportedly costs Sterling $600,000 in cash rewards each year and $9,000 in trophies, plaques, certificates, and printed materials.

In this example we see how one company has attempted to increase employee productivity by providing a variety of rewards in exchange for high performance. Below is a chart that shows how the reward expectancy plays out in the employees mind.

V. Setting Goals

A. Weyerhauser Company

“A well-known study carried out at Weyerhauser Company shows the practical significance of goal setting. Truck drivers at six company logging operations in Oklahoma were studied. Each operation consisted of six to ten people who performed one of the following tasks: felling trees; dragging the trees to a landing; loading the trees onto a truck; and driving the truck to the mill where it was weighed and unloaded. A detailed analysis of each operation’s performance revealed that trucks were frequently falling short of their maximum legal net weight. In fact, most trucks were returning to the mill carrying 60 percent of the maximum load, (Vroom and Deci, 91)."

Measures of the net weight of all thirty-six logging trucks were collected for three consecutive months prior to goal setting. The results of the goal setting were monitored for nine consecutive months (i.e., October through June). The specific goal of 94 percent was achieved after twelve weeks and represented a more than 50 percent improvement in performance. "While corporate policy prevented a detailed presentation of the effect, the researchers maintained that without the increase in efficiency due to goal setting, it would have cost the company $250,000 for the purchase of additional trucks in order to deliver the same quantity of logs to the mills. This figure does not even include the costs for additional fuel or the expense of recruiting and hiring additional drivers, (Vroom and Deci, 91)."

VI. Building Effective Work Teams

There are two primary ways corporations can develop effective work teams. One is for the manager to use a variety of informal team-building activities on a day-to-day basis. The other way is for the corporation to invest in more formal step-by-step team-building programs.

**A. Promoting Pride**

One way to foster teamwork is by promoting pride among group members. The chain reaction here is that pride leads to teamwork, teamwork leads to group success, group success leads to even more pride, teamwork, and success.

Joe Paterno, the Penn State football coach, attributes a good deal of his team’s success to group pride. He explains it this way: "You start with the idea that you build some pride. You make people feel that they are with a special company, a special institution that is worth making sacrifices for. If you are the kind of person that we call the ewe and use people that can work with the group, by being unselfish, benefits will accrue to you."

"There is no magic formula for getting team members to take pride in their group. One device often used is to give special names to various groups such as "Fact Finders". Other organizations stress the history of the group and point out its significant achievements or how difficult it is to join. In addition, some firms encourage managers to repeatedly tell employees how proud they are of them and that they too should take pride in their accomplishments, (Quick, 109)."

**B. Developing a Norm of Teamwork**

" Another strategy is to cultivate the belief that working together effectively is an expected standard of conduct, (Quick, 111)." A manager could foster a teamwork norm. One way to accomplish this is for the manager to make explicit statements about the desirability of teamwork such as: "I want to encourage everyone to work as a team, to develop a ewei attitude as opposed to an eIi attitude. I want you to keep sharing your ideas with each other and keep up to date on what others are doing."

**VII. Reducing Employee Stress**

**A. Consequences of Stress**

The idea that stress can have negative physical and psychological effects on people is certainly not new. "Research has pointed out the linkage between stress and a variety of physical ailments such as heart disease, ulcers, and arthritis. Employers at that time were also beginning to actively discuss problems associated with apathetic workers-people frustrated and dissatisfied with their lives and jobs. Managers were reporting sleeplessness, anxiety, and tension. In short, studies were showing the effect of stress on physical and mental well-being, (Champagne and McAfee, 179)."

**B. American Telephone and Telegraph**

American Telephone and Telegraph announced the most drastic reorganization in the Bell Systems history. The medical directors throughout the system were reporting higher levels of anxiety among employees coming in for routine physicals. The anxiety followed a shake-up that changed job titles, duties, and whole methods of working for about 250,000 employees, or about one-third of Bells work force. One of the doctors gave this explanation, "the Bell System is under stress because of external influences, but other industries are too. The negative consequences of stress can be avoided through proper application of diagnostic methods and preventive management interventions. The relationship of stress to performance is shown in the graph below.

**graphic would be inserted here**

Source: R. B. McAfee and P. J. Champagne, Motivational Strategies for Performance and Productivity. (Conneticut: Quorum Books, 1989) p.182.

VII. Enhancing Employee Participation

A. A.E. Stanley Agriproducts Corporation

The A.E. Stanley Agriproducts Corporation began an experiment in "self-management" several years ago. The plant employs technicians that use computer-controlled machinery to convert corn into high fructose syrup. The employees work three twelve-hour days, take three days off, and then work three nights. " Employees are divided into sixteen teams of about fifteen people each according to functions-production, maintenance, and quality control. Each team chooses two leaders from its ranks, one of them task-oriented, the other in charge of training, discussion, and records. The teams make their own work assignments within the plantis overall schedules, and have a voice in hiring, promotion, and discipline of team members, (Champagne and McAfee, 197)."

Three years after the experiment began productivity has risen to extraordinary heights. "Operating costs are below those of other plants, absenteeism and turnover are under one percent, downtime in a twenty-four-hour workday is less than one percent, and productions run at 115 percent of engineering specifications, (Champagne and McAfee, 198)."

**B. Benefits**

Some of the benefits of participation are that participation will result in greater knowledge and expertise in case a problem should arise. If subordinates are highly knowledgeable about an issue, their input may improve the quality of a decision. Participation may also result in greater job satisfaction because it satisfies needs for achievement, responsibility, recognition, and self-actualization.

IX. Summary

In this report I have described six different motivational strategies: organizational behavior modification, rewarding high performance, setting goals, building effective work teams, reducing employee stress, and enhancing employee participation. I have also given examples of businesses, who utilize these strategies. They can be just as successful for your own business.

X. Conclusion

The purpose of this report was to provide employers with a wide range of motivational strategies for achieving excellence by enhancing employee performance and productivity. These strategies include organizational behavior modification, rewarding high performance, setting goals, building effective work teams, reducing employee stress, and enhancing employee participation. Employers have been provided with all the necessary information needed to introduce one of these strategies to their employees. All they have to do is choose which one would work best for their business.

XI. Recommendations

Employers need to weigh the benefits and costs of each strategy and then introduce the one that best suits them and their employees. I believe the two most effective strategies are rewarding high performance and setting goals.

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