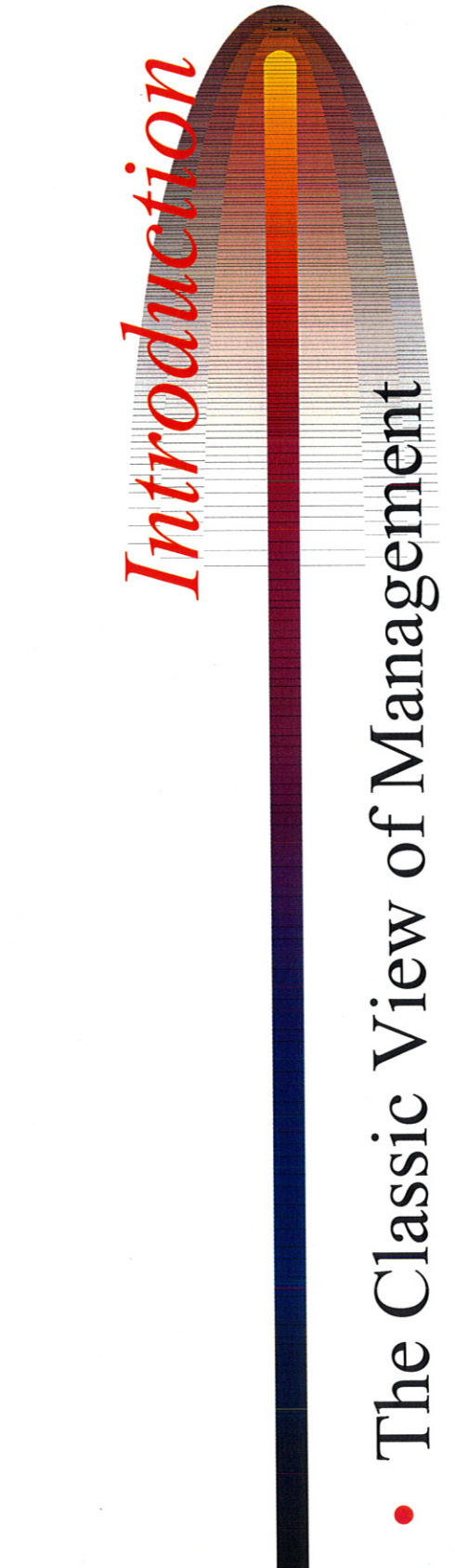


Understanding Motivation— How Managers Can Contribute to the Success of the Organization



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Introduction



- The Classic View of Management
- What is Motivation?
- How do managers contribute to motivation?
- Learning from the “100 Best Companies”
- Is management different in an ESOP?
- Final thoughts and a “take away”

Classic View of Management

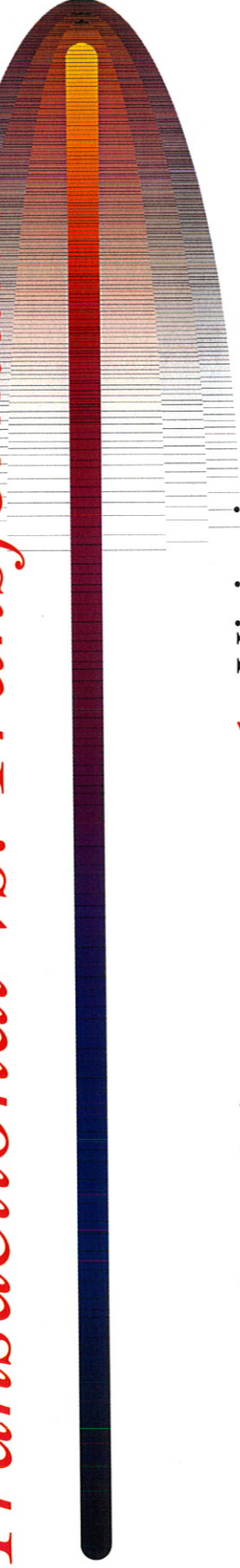


- 4 functions of Managers (Handout)

- Planning
- Organizing
- Leading
- Controlling

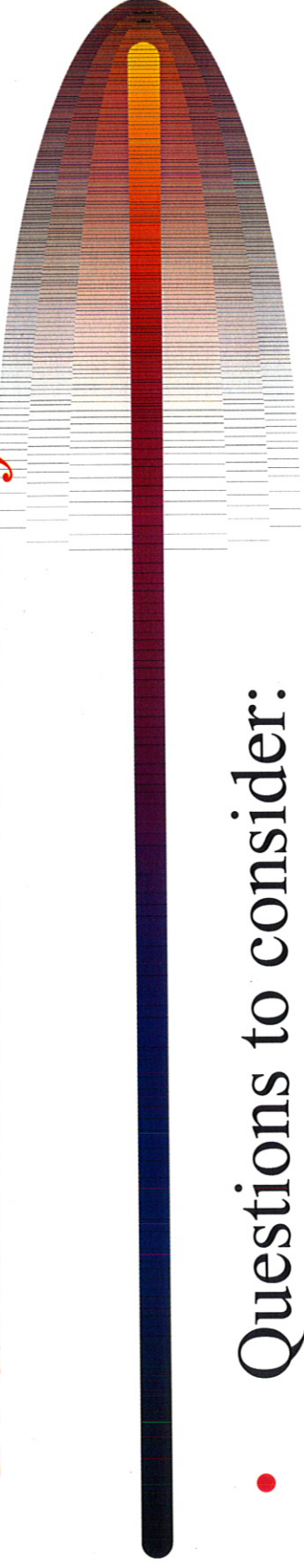
- What's missing from the list?

Transactional vs. Transformational



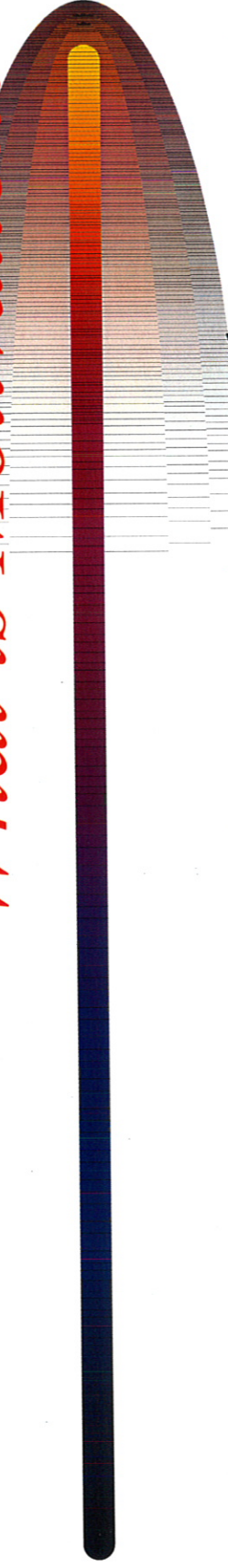
- | | |
|-------------------|-----------------------|
| • 1. Organizing | 1. Visioning |
| • 2. Planning | 2. Anticipating |
| • 3. Directing | 3. Empowering |
| • 4. Controlling | 4. Value Congruence |
| • 5. Coordinating | 5. Self-Understanding |

Transactional vs. Transformational



- Questions to consider:
 1. Are both important, or is one set more important than the other?
 2. Does it matter what level you are at in the managerial hierarchy?

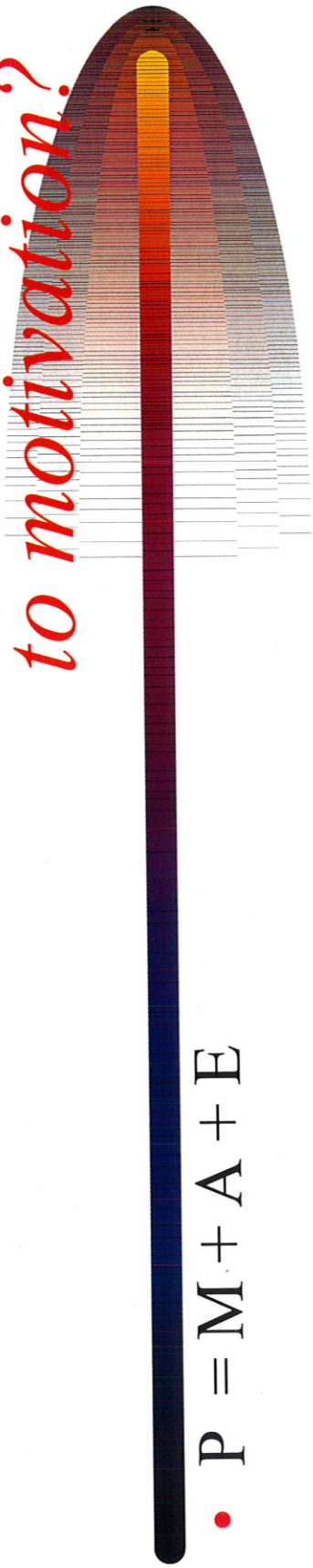
What is Motivation?



- “The set of forces that causes people to engage in one behavior rather than some alternative behavior”

Steers, Bigley and Porter, *Motivation and Leadership at Work*, 1996

How do managers contribute to motivation?



- $P = M + A + E$

Performance = Motivation + Ability +
Environment

- In this model what does the manager control?
- What about the employee?
- % of control for each?

How do managers contribute to motivation? (continued)



- Now, think about yourself and how you go about doing your job each day.
- Questions to consider:
 1. Do you rely on your manager to motivate you, or do you feel you motivate yourself?
 2. On the other hand, can your manager de-motivate you by his/her actions? If so, how?

Ingredients of a Good Job



- Think about a time when you were in a “Good Job”.
- In your opinion, what were the characteristics/ingredients that made it a good one?
- Write down 3 things

Frederick Herzberg



- “Motivation derives from people having a sense of achievement, recognition, responsibility and opportunities for personal growth.”
- “If you want someone to do a good job, give them a good job to do.”
- Herzberg’s 8 Ingredients (Handout)

Learning from the “100 Best”



- They have a supportive environment
- They encourage learning and training
- The culture is risk free and non-threatening
- They have a clear, shared vision
- They give passionate customer service, and
- Employees trust the people they work for

• Source: Robert Levering, The Great Places to Work Institute

The “100 Best Companies to Work For”



- 84 of the 100 offer some type of stock to employees
- 45 of the 84 offer broad-based stock plans
 - 4 are majority owned by employees
 - 5 have non-majority ESOPs
 - 18 have broad-based stock options
 - 6 match employee 401(k) contributions with company stock
 - 14 have ESPP (employee Stock Purchase Plans
 - 4 have other broad-based stock plans
- And, according to the Russell Investment Group, the “100 Best” produced more than 3 times the gains of the broad stock market over the last seven years!

• Sources: NCEO, Great Place to Work Institute

University of Wisconsin-Madison Executive Education

*Is management different
in ESOPs and companies with
some type of employee
ownership?*

- Your assignment—discuss the following:

“Are Characteristics/Behaviors/Skills
of Managers in ESOPS Different than
in other companies?”

*How does your list compare to
the attendees in the*



UW-Madison Employee Ownership Management Program ? (Handout)

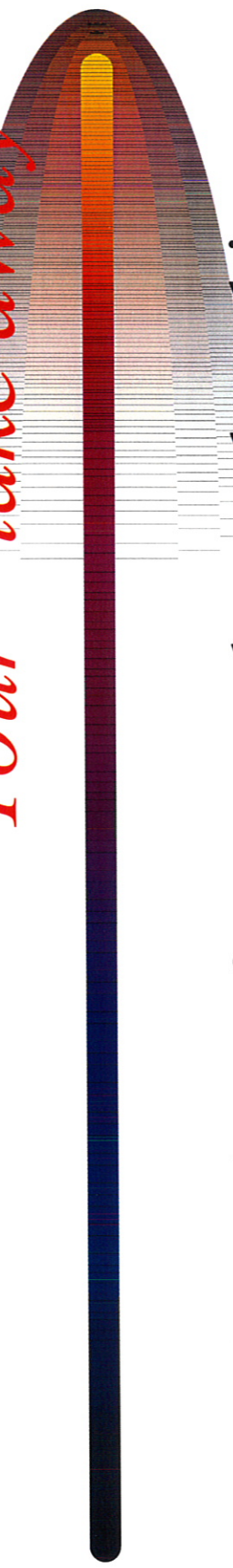


Final thoughts...

- Managers can create an atmosphere of trust that enhances working relationships.
- Motivation is built on trust and support.
- With high levels of trust, individuals become more committed to making the organization successful.
- When commitment is enhanced, turnover is reduced, customers are served, and we are more profitable.
- When you are an owner, you share in the profits.



Your “take away,”



- Take a piece of paper and complete this sentence:
 - “Based on what I learned today, when I get back to the workplace on Monday, I’m going to

”
