Exhibit 2.1 MARS model of individual behaviour and results
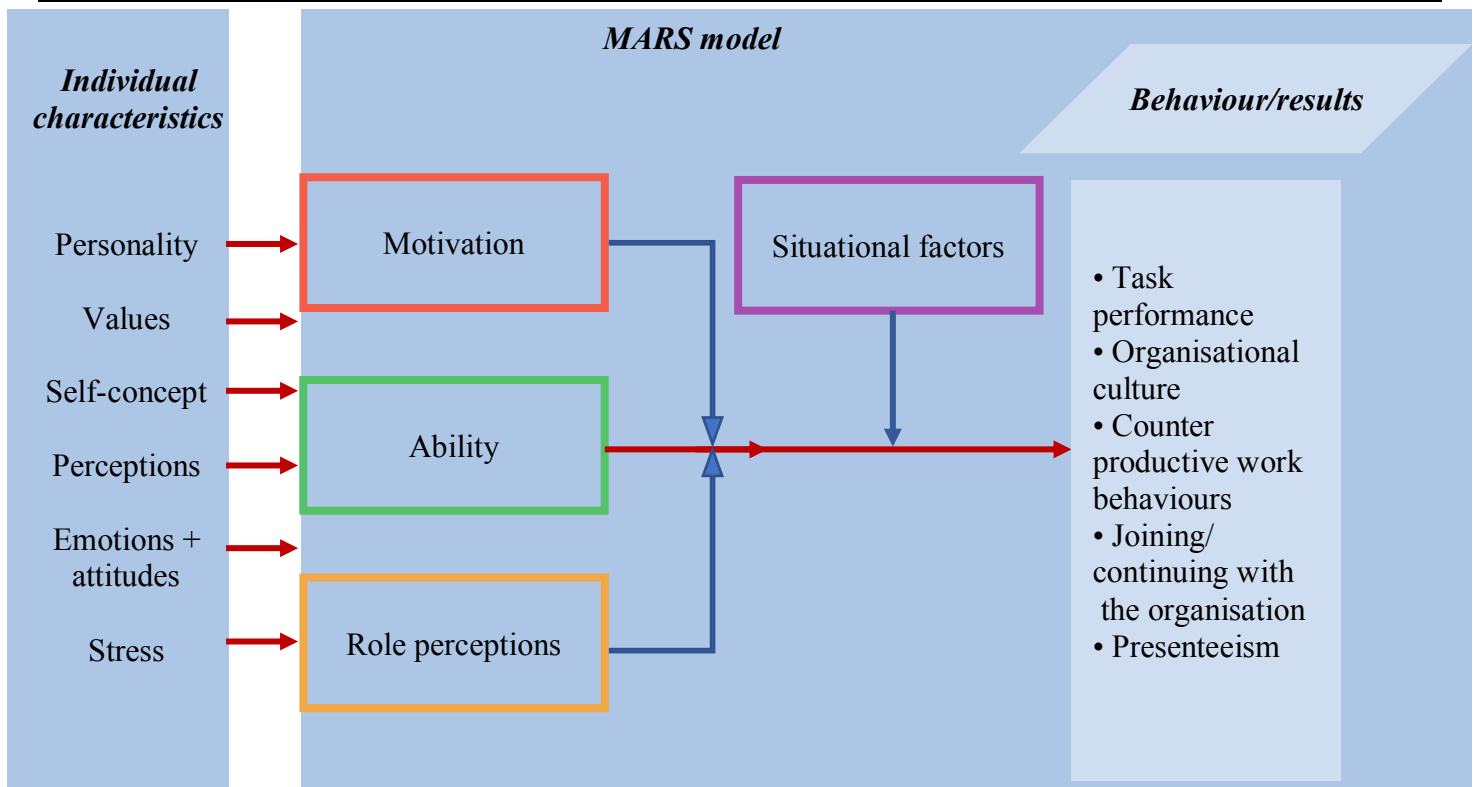

Exhibit 2.1 illustrates these four variables – motivation, ability, role perceptions and situational factors – which are represented by the acronym *MARS*

There are five main types of workplace behaviour:

1. ***Task performance*** refers to goal-directed behaviours under the individual's control that support organisational objectives;

2. ***Organisational citizenship behaviours*** (OCBs) consist of various forms of cooperation and helpfulness to others that support the organisation's social and psychological context;

3. ***Counterproductive work behaviours*** are voluntary behaviours that have the potential to harm the organisation directly or indirectly;

4. ***Joining and staying*** with the organisation refers to agreeing to become an organisational member and remaining with the organisation

5. ***Maintaining work attendance*** includes minimising absenteeism when capable of working and avoiding scheduled work when not fit. For example, some people show up even when they are not well because of their strong motivation to attend but this is not a good thing as strong teams tolerate of even expect co-workers to take time off (i.e. this results in low presenteeism).

EMPLOYEE MOTIVATION

Motivation represents the forces within a person that affect his or her direction, intensity and persistence of voluntary behaviour.

> **Motivation**
> ➤ The forces within a person that affects his or her direction, intensity and persistence of voluntary behaviour

There are three elements of motivation: *Direction, intensity* and *persistence.*
Direction refers to the path along which people steer their effort
Intensity is the amount of effort allocated to the goal
Persistence is the varying levels of continuing effort for a certain amount of time

Explaining how employee drives and needs translate into goal-directed effort are evaluated by these theories:
-   ***Expectancy theory of motivation*** – a popular and thoroughly researched decision model of motivation that focuses on the rational element of decisions
-   ***Organisational behaviour modification*** – learning the expectancies that motivate employees through the expectancy theory model
-   ***Social cognitive theory*** – learning the expectancies that motivate employees through the expectancy theory model
-   ***Goal setting and feedback*** – useful motivational ideas and practices in organisations

One perception
⇒ Motivation is concerned with behavioural direction (choice of specific behaviour).
Another view
⇒ Motivation is concerned with the employee's desire to achieve a particular goal.
Employee diversity
⇒ Requires flexibility with jobs, work schedules, rewards, training and development

Defining employee engagement
The nature of a typical employment contract makes motivation a running theme of management and managers have to be motivated themselves in order to motivate others. Employee engagement is defined as an individual's emotional and cognitive (rational) motivation, particularly a focused, intense, persistent and purposive effort towards work-related goals. It is emotional involvement in, commitment to and satisfaction with the work, as well as a high level of absorption in the work and a sense of self- efficacy about performing the work. Rothbard & Wilk (2011) examined how 'start-of-workday' mood influences how employees see work events, how they feel about events and how this impacts performance. Their study highlights the importance of the moods employees bring with them to work as Rothbard & Wilk relate these to productivity and quality of service. The challenge facing organisational leaders is that most employees are not very engaged; moreover, actively disengaged employees tend to be disruptive at work

Drives (primary needs)
➤ hardwired brain characteristics (neural states) that energise individuals to maintain balance by correcting deficiencies prime movers of behaviour by activating emotions
Needs
➤ goal-directed forces that people experience drive-generated emotions directed towards goals formed by self-concept, social norms and experience

Drives, needs and behaviour
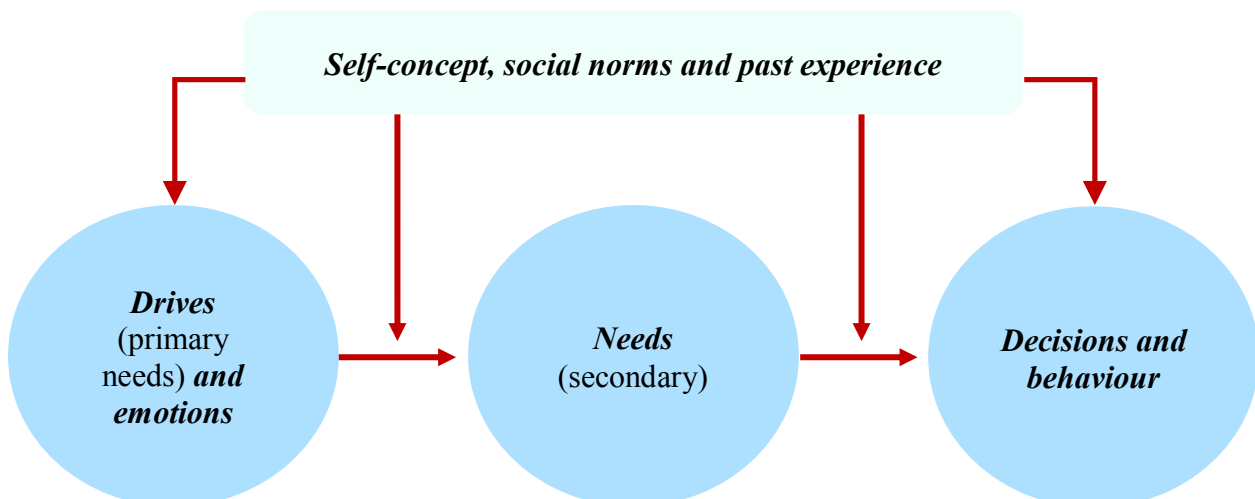
- *Equity theory*
- Employees want to be treated **fairly**.
- **Perceived inequity** produces tension within the individual and this motivates him or her to eliminate or reduce the tension by striving to make the balance equal

- *Reinforcement theory*
- Focuses on **rewards and punishments** and the effect they have on behaviour
- Based on the **law of effect** (behaviour that results in a pleasant outcome is likely to be **repeated**)
- Companies may make mistakes – for instance, they may seek teamwork, but **reward** individuals

MONEY AND MOTIVATION

⇒ Money plays a complex role in employee motivation
⇒ Equity, expectancy and reinforcement theories all show the value of money as a motivator
⇒ Money can also serve as a symbol of achievement, recognition and status
⇒ Employees compare money earned to determine how they rank

Pay and Motivation Conditions
Pay **will** motivate employees only if certain conditions are met. Employees must:
- attach a high **positive valence** to pay;
- believe that **good performance** leads to high pay;
- believe that the **quality of their job performance** primarily reflects how hard they are trying;
- see the **positive outcomes** tied to good performance as being **greater** than negative ones;
- see **good performance** as the most **desirable** of all possible behaviour

Pay **will not** motivate when:
- There is little **trust** between management and employees
- Employee **performance** is difficult to measure
- Employee performance is measured **subjectively,** and ratings are seen to be **biased**
- Large pay increases **cannot** be given to the top performers

Further Considerations
⇒ An employee will not be motivated if he or she does not feel that pay is related to performance
⇒ The absolute amount of the pay increase must clearly discriminate between good and poor performers
⇒ If the corporate culture is strongly egalitarian, rewarding individual performance may send a conflicting message
⇒ Negative consequences from a pay increase (such as taxation) may reduce motivation
⇒ Money must not be viewed as the sole motivator

Quick Summary
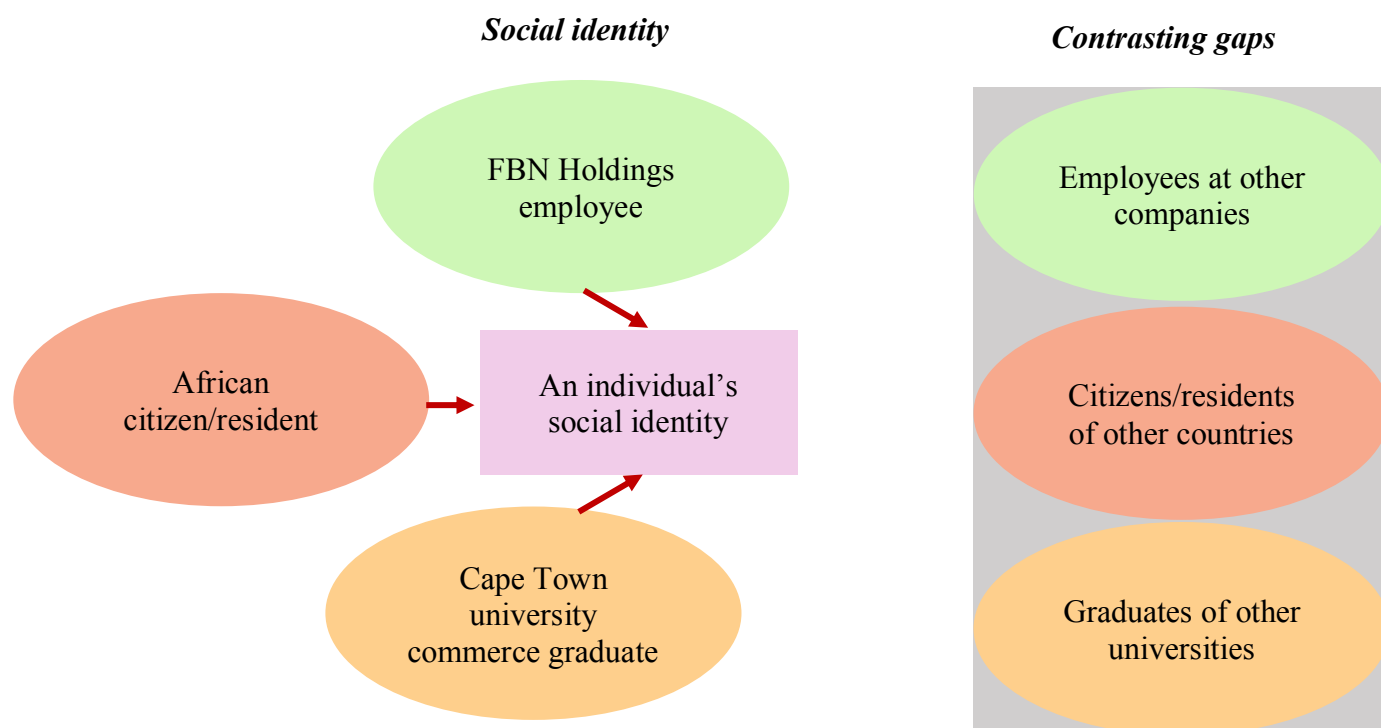Motivation theories give managers an insight into the importance of:
• identifying and understanding employee needs
• examining the range of employee behavioural choices and their respective attractiveness
• clarifying goals and performance expectations
• ensuring that rewards are closely tied to performance
• ensuring that employees perceive rewards as equitable.

TOPIC 4 PERCEIVING OURSELVES AND OTHERS

Examining how people perceive themselves – their self-concept – and how that self-perception affects their decisions and behaviour is important in understanding certain behaviour and trends, such as professional women working in the area of IT. Companies that rely on such staff see two challenges in attracting and

Locus of control – general belief about personal control over life events

Social identity theory example

Social identity   *Contrasting gaps*

FBN Holdings employee

African citizen/resident → An individual's social identity ← Cape Town university commerce graduate

Employees at other companies

Citizens/residents of other countries

Graduates of other universities

Self-concept and organisational behaviour
Self-concept as discussed affects perceptual and decision processes and biases, employee motivation, team dynamics, leadership development, employee stress and several other topics relating to organisational behaviour. Self-concept therefore is becoming an increasingly popular topic in social sciences and further organisational behaviour
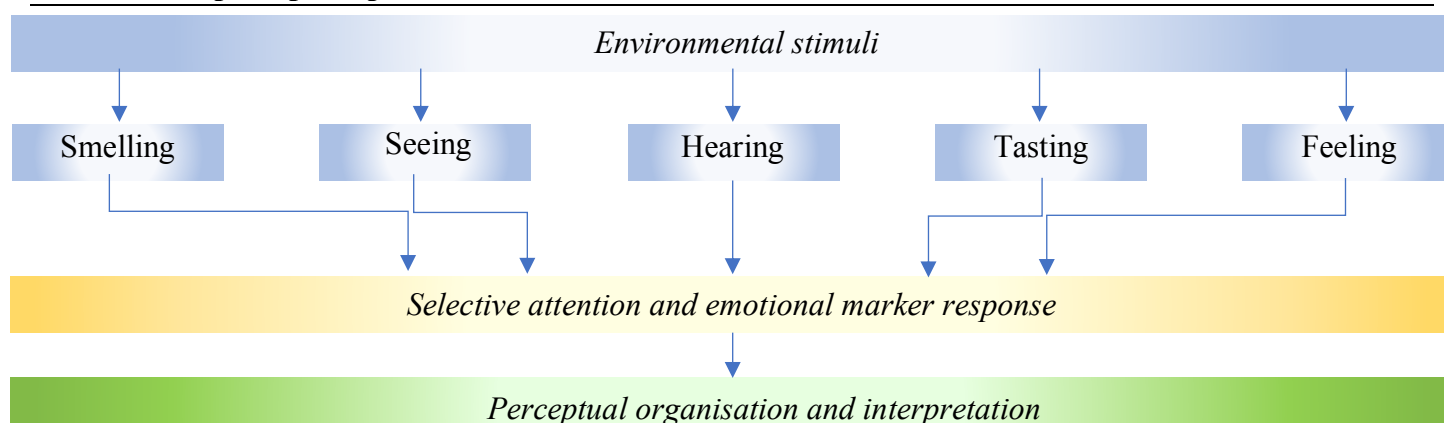
PERCEIVING THE WORLD AROUND US

While a considerable portion of our time is spent perceiving ourselves, most of our perceptual energy focuses on the outer world around us. Whether as a forensic accountant, IT specialist or senior manager, making sense of our world is imperative, including the conditions that challenge the accuracy of those perceptions.

Perception
  ➢ The process of receiving information about and making sense of the world around us:
- Determining which information gets noticed
- How to categorise this information
- How to interpret information within our existing knowledge framework

Model of the perceptual process

Environmental stimuli

| Smelling | Seeing | Hearing | Tasting | Feeling |

Selective attention and emotional marker response

Perceptual organisation and interpretation

Attitudes and behaviours

When information through the senses is received, the brain rapidly and non-consciously assesses whether it is relevant or irrelevant and then attaches emotional markers (stress, happiness, joy, boredom) to the information. Emotional markers assist in the storage of information in our memory, and are later reproduced when recalling the perceived information. The process of selective attention is as Plato recognised, imperfect.

Confirmation bias
➢ Screening out information that contradicts values and assumptions and to more readily accept confirming information

Selective attention
- Selecting vs. ignoring sensory information
- Affected by object and perceiver characteristics
- Emotional markers attached to selected information
- Selective attention bias: effect of our assumptions and expectations about future events
- Confirmation bias: we screen out information contrary to our beliefs and values
- Characteristics of perceiver influence selective attention

Perceptual organisation and interpretation
Categorical thinking:
- mostly non-conscious process of organising people and objects into preconceived categories
Perceptual grouping principles:
- Similarity or proximity
Cognitive closure:
- filling in missing information
- perceiving trends in ambiguous information
Interpreting incoming information:
- Sense making
- Emotional markers automatically evaluate information

SPECIFIC PERCEPTUAL PROCESSES AND PROBLEMS AND THE WAYS IN WHICH THIS IS INFLUENCED

PERCEPTION INVOLVES SELECTING, ORGANISING AND INTERPRETING INFORMATION TO MAKE SENSE OF THE WORLD AROUND US

Perceptual organisation engages categorical thinking which is the mostly non-conscious process of organising people and objects into preconceived categories that are stored in our long- term memory. Mental models are internal representations of the external world and also help us to make sense of incoming stimuli. The general perceptual process contains specific sub processes and associated biases and other errors. The most widely known one is stereotyping

STEREOTYPING

Assigning characteristics to people based on social category membership
Shared beliefs across society and cultures
Occurs because:
- categorical thinking
- innate drive to understand and anticipate others' behaviour
- enhances our self-concept and social identity

Dimensions of emotional intelligence

	Yourself	Others
Recognition of emotions	Awareness of own emotions	Awareness of other people's emotions
Regulation of emotions	Management of own emotions	Management of other people's emotions

(ABILITIES label along the vertical axis)

$\Rightarrow$ *Awareness of own emotions*
This is the ability to see and understand the meaning of your own emotions
$\Rightarrow$ *Management of own emotions*
Emotional intelligence (EI) includes the ability to manage one's own emotions, something to some degree we all do
$\Rightarrow$ *Awareness of other people's emotions*
This dimension refers to being able to see and understand the emotions of other people. To a large extent, this awareness is represented by <u>empathy</u>
$\Rightarrow$ *Management of other people's emotions*
This dimension of emotional intelligence (EI) involves managing others' emotions, and includes consoling people you are upset, inspiring peers to complete a collaborative project, encouraging strangers to feel at ease working with you, and managing dysfunctional emotions among employees who experience conflict

Emotional intelligence: outcomes and training
Does emotional intelligence influence or make a difference in employee performance and wellbeing? A few organisational behaviour scholars and experts question the degree of usefulness of the emotional intelligence idea, where other existing concepts like personality and general intelligence can be substituted or used instead.
- Emotional intelligence (EI) is associated with some personality traits, as well as with parental EI
- EI has now become a selection criterion. Can be learned, especially through coaching
- EI increases with age and maturity

JOB SATISFACTION

Job satisfaction is perhaps the most studied attitude in organisational behaviour, which is a person's evaluation of their job and work context. It is an <u>appraisal</u> of:
- Job <u>characteristics</u>
- Work <u>environment</u>
- Emotional <u>experiences</u> at work

HOW SATISFIED ARE STAFF, REALLY? THE ANSWER DEPENDS ON THE PERSON, THE WORKPLACE, THE CULTURE AND THE COUNTRY

Global surveys indicate with some degree of consistency that job satisfaction tend to be highest in Denmark, Norway and other Nordic countries, along with Mexico, India, the UK and the US. The lowest levels of job satisfaction are usually seen in Hungary and several Asian countries. However there are limitations to this research due to the nature of the studies, such as the problem with differing cultural values in comparison.

The consequences of job dissatisfaction and strategies to increase organisational commitment
Job satisfaction represents a person's evaluation of his or her job and work context. Four types of job dissatisfaction consequences are: quitting or otherwise getting away from the dissatisfying situation (exit), attempting to change the dissatisfying situation (voice), patiently waiting for the problem to sort itself out (loyalty), and reducing work effort and performance (neglect).

Making choices more effectively
- Systematically evaluate alternatives against relevant factors
- Be aware of effects of emotions on decision preferences and evaluation process
- Scenario planning:
Systematic process of thinking

Implementing decisions
Execution—translating decisions into action—is one of the most important and challenging tasks for leaders.
Evaluating decision outcomes
- Post-decisional justification is the tendency to inflate the quality of the selected option, and forget or downplay rejected alternatives (confirmation bias)
- Caused by need to maintain a positive self-concept
- Initially produces excessively optimistic evaluation of decision

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Escalation of commitment
The tendency to repeat an apparently bad decision or allocate more resources to a failing course of action
Four main influences of escalation:
- self-justification effect
- self-enhancement effect
- prospect theory effect
- sunk costs effect

Evaluating decisions more effectively
- Separate decision choosers from evaluators
- Establish a preset level to abandon or re-evaluate the project
- Find sources of systematic and clear feedback
- Involve several people in the evaluation process

CONTINGENCIES

The benefits of employee involvement and contingencies that affect it
Employee involvement refers to the degree to which employees' influence how their work is organised and carried out. The level of participation may range from an employee providing specific information to management without knowing the problem or issue to complete involvement in all phases of the decision-making process. Employee involvement may lead to higher decision quality and commitment, but several contingencies need to be considered, including the decision structure, source of decision knowledge, decision commitment and risk of conflict. The article by Bertolini et al. (2015) is an interesting read as it provides you with examples of organisations that have reinvented themselves or transformed and explains how they did that.

Higher employee involvement is better when:

- issue is much less important to you than other party
- value/logic of your position is imperfect
Problems:
Increases others' expectation; imperfect solution

- ***Compromising***

Best when:
- parties have equal power
- quick solution is required
- parties lack trust/openness
Problems:
Suboptimal solution where mutual gains are possible

Task and relationship conflict and strategies to minimise conflict

Task conflict occurs when people focus their discussion around the issue while showing respect for people with other points of view. Relationship conflict exists when people view each other, rather than the issue, as the source of conflict. It is apparent when people attack each other's credibility and display aggression towards the other party. It is difficult to separate task from relationship conflict. However, three strategies or conditions that minimise relationship conflict during constructive debate are: (1) emotional intelligence and emotional stability of the participants; (2) team cohesion; and (3) supportive team norms

NEGOTIATION

Negotiation
➢ The process whereby two or more conflicting parties attempt to resolve their divergent goals by redefining the terms of their interdependence

Negotiation essentials

Building good deals in negotiation
Collaboration:
- Create value
- Claim value
Satisfy own plus others' needs
Setting limits:
- Target point
- Resistance point
Assessing power:
- Consider alternatives
- Skills

Creating and claiming value

The goal of value creation is to ensure that both negotiators obtain the best possible outcomes

- Managing the deal
- Managing information
- Managing the process
- Beyond the deal