

# Motivation and Performance: A Workshop for Recruiting and Retaining Top Employees

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I'm in a GREAT mood! 😊



# Road Map for Today

- **Motivation and the EPO framework:**
  - Definitions and Examples
  - Case: Your personal challenge
- **A more detailed look at the application of EPO**
  - Four common problem areas applying EPO
    1. Opportunity & Ability
    2. Goal Setting/Expectations & Feedback
    3. Metrics and Equity
    4. Incentives and Rewards



## MOTIVATION

If a pretty poster and a cute saying are all it takes to motivate you, you probably have a very easy job. The kind robots will be doing soon.

# Think About Your Last Day At Work

Raise your hand if...

- When you left work to go home, there was still work remaining that you could have done
- You went home because you had no work left to do



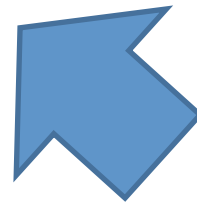
# A Day in My Life...

## Work I did yesterday

- Long dept. meeting
- Organized all of my materials for today's session
- Taught a session for another client
- Phone call with a student
- Responded to easy emails

## Work I thought about doing, but did NOT do...

- Grading ☹️
- Revise a project based on meeting with three colleagues
- Respond to some very overdue emails – the hard ones



**Motivation – how people decide what's on each list**

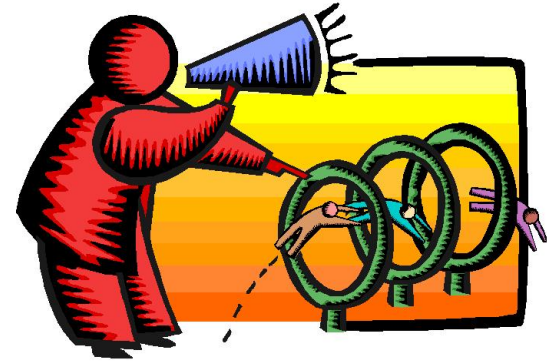
# What is Motivation?

- Desire to put effort toward achieving a goal
  - Direction (what should I do?)
  - Intensity (how hard should I work?)
  - Persistence (how long should I work?)
- Motivation is the science of executing vision & strategy through people



# What Factors Influence Employee Performance?

- Turn to your neighbors
- Take 2 min to:
  - Generate a list of factors that affect employee performance



## The Takeaway:

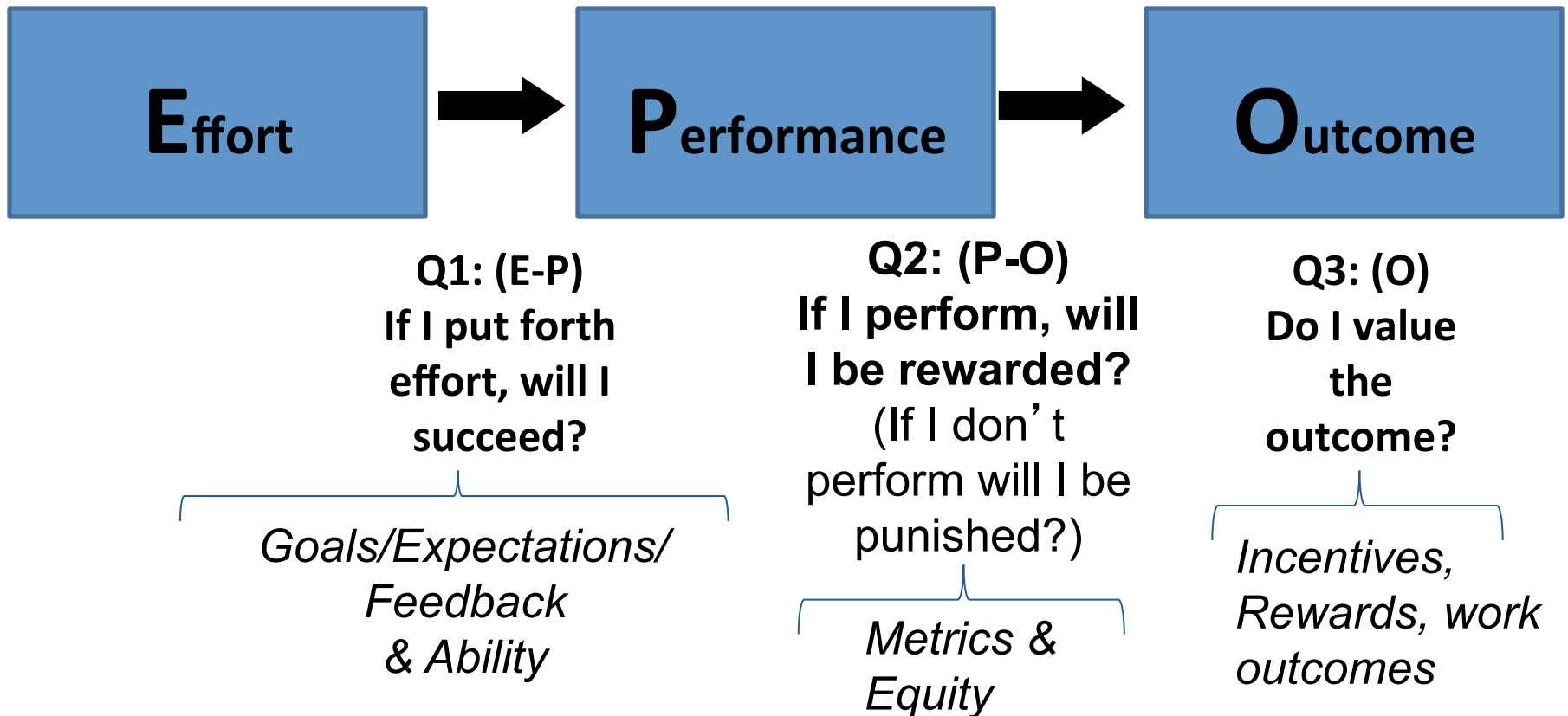
- Many (or most) of the factors that influence employee performance are controlled by management
- Thus, the performance of your subordinates is mostly in your hands and the key question becomes: *How do I lead & motivate members of my organization so that they perform well?*

# Reflection & Discussion

- **What are some current challenges of motivation you're experiencing yourself and/or having with others? (i.e., difficulty getting people to do what you want them to do, at work or at home)**
- Take 3 mins. to reflect and write down your thoughts. Then turn to your neighbor(s) and discuss



# EPO: How Individuals Determine Effort (Direction, Intensity & Persistence)



# EPO Equation

Motivation =

$$\begin{array}{l} \text{Expectancy} \\ \text{belief that effort} \\ \text{will lead to better} \\ \text{performance} \\ \text{(E-P)} \end{array} \times \begin{array}{l} \text{Instrumentality} \\ \text{belief that} \\ \text{performance will} \\ \text{lead to outcomes} \\ \text{and rewards} \\ \text{(P-O)} \end{array} \times \begin{array}{l} \text{Valence} \\ \text{belief that} \\ \text{outcomes and} \\ \text{rewards are} \\ \text{valuable} \\ \text{(O)} \end{array}$$

At a minimum, for employees to be motivated they must believe all 3 to be true.

That is, if one of these is zero motivation is zero.

# EPO is in the Eye of the Beholder

## Why doesn't anyone want my dollar?

- I'm in the back row (E-P)
- I don't trust you (P-O)
- It's only a dollar (don't value (O) outcome)
- You may make me do something; I may look foolish, greedy...(negative O)

As management, I don't think I can be more clear, but you don't see things the way I do: Employee perception of the answers to the 3 questions is what matters, even if they're wrong

# EPO and the 4-Minute Mile

- 1950s common belief: it is physically impossible for a human to run a mile in less than 4 minutes
- May 6, 1954: medical student / track star Roger Bannister runs a mile in 3:59.4
- What does this have to do with EPO?



# EPO and the 4-Minute Mile

- Before May 6, many world-class athletes had failed to break the barrier
  - Just 6 weeks after Bannister's success, John Landy ran a 3:57.9
  - In the following 3 years, 16 different runners broke the 4-minute barrier
- Why?
  - Bannister's feat increased E-P beliefs: "If I train harder, I can run faster"
  - Today's world record: 3:43.13 (1999)



Hicham El Guerrouj  
July 7, 1999, Rome

# EPO in Office Space

- How would you explain Peter's lack of motivation using expectancy theory?
- For which of the three questions does he think the answer is “no”?
- How would you use expectancy theory to motivate Peter more effectively?



# Doing an EPO Diagnosis

<b>Performance Indicators (expectations) bosses have for Peter?</b>	<b>Answer to Q1 (E-P) (from Peter's Perspective)</b>  <b>If I put forth the effort, will I succeed in meeting expectations?</b>	<b>Answer to Q2 (P-O) (from Peter's Perspective)</b>  <b>If I meet expectations will I be rewarded? (If not, punished?)</b>	<b>Answer to Q3 (O) (from Peter's Perspective)</b>  <b>Do I value the outcome? (reward or punishment)</b>
Prepare minimum # of TPS reports			
Exceed minimum number of TPS reports			

# Exercise: Applying EPO to Diagnose a Personal Problem or Challenge

- Pick a problem or challenge that you're facing in motivating others.
- Define desired performance: What are you trying to motivate people to do but aren't seeing the results you hoped for?
- Use **EPO** to diagnose your motivation problem



# Doing an EPO Diagnosis

<p><b>Performance Indicators</b></p> <p><i>How do you define performance for your employees? What does success look like?</i></p>	<p><b>Answer to Q1 (E-P)</b> <b>(from your ee' s Perspective)</b></p> <p><b>If I put forth the effort, will I succeed in meeting expectations?</b></p>	<p><b>Answer to Q2 (P-O)</b> <b>(from your ee' s Perspective)</b></p> <p><b>If I perform (meet expectations) will I be rewarded? (If not, punished?)</b></p>	<p><b>Answer to Q3 (O)</b> <b>(from your ee' s Perspective)</b></p> <p><b>Do I value the outcome? (reward or punishment)</b></p>
Your performance indicator			
Your performance indicator			
Your performance indicator			

# Additional Diagnostic Tool

## Poor performance may result from:

### 1. Failure to satisfy individual's needs through organizational rewards (O)

- Do you know what intrinsic and extrinsic rewards your people value?
- Have you provided valued rewards?

### 2. Failure to see relationship between P and O

- Are rewards provided on performance-contingent basis?
- Do your people understand how differential rewards result from differential performance?

### 3. Failure to see relationship between E and P

- Do your people have the necessary ability (resources, skills, aptitude)?
- Do your people *believe* that they have the resources, skills and aptitude necessary to perform well?

### 4. Failure to understand performance requirements

- Are your people clear on what performance is expected of them?
- Have you set a few inspiring, SMART goals?
- Specific ongoing feedback being given?

# A More Detailed Look at the Application of EPO

**In your experience, what are the most frequent problems encountered when motivating high performance?**

# Four Common Problem Areas Applying EPO

1. Ability not fully considered
  2. Performance not clearly defined
    - Setting dumb or not sufficiently SMART goals
    - Too many goals, or always same goals
    - Giving feedback poorly
  3. Metrics poorly designed or utilized
    - Measuring what is easy to measure, not what should be measured
    - Lack of transparency of metrics or their use
    - Rewards not tied to desired performance
  4. Offered rewards are not valued  
Valued rewards are not offered
- E-P
- P-O
- O

# Ability Not Fully Considered

**Opportunities and Ability should be closely linked:**

Native skills and capacities a person brings to a job	Aptitude
Enhancement of our inherent aptitude by education	Training
Technical, human, political, physical, economic... ( <b>T</b> ime, <b>I</b> nformation, <b>P</b> eople, <b>M</b> oney, <b>S</b> kills, <b>T</b> ools)	Resources

# Performance Not Clearly Defined

## Set *really* SMART goals:

- **Significant & Stretching.** *Choose demanding, important goals*
- **Measurable & Motivational.**  
Make goals results-oriented so you can measure both progress and eventual success. *Choose goals people are truly motivated/eager to achieve.*
- **Attainable, Actionable & Agreed upon.**
- While stretch goals are desirable you need to keep goals realistic for the individuals' situation and skill. The goal needs to be ready to be acted upon or put into action. Key people involved need at least to agree with the goal (ideally *participate in its setting.*)
- **Relevant & Resourced.**  
*Pick goals that are in-line with individuals' life and career goals.*  
Make sure you think of the resources needed to reach the goal.
- **Time-bound & Timely.**  
Goals need to have a time element so they don't breed procrastination. Definite starting and ending points as well as milestones along the way.  
*Pick goals that are opportune and well-timed given a person's situation.*

# Too Many Goals or Always the Same Goals



- Sharing too many goals with your people is the same as sharing no goals. Energy, enthusiasm, and attention all dissipate when they are spread too widely.
- Choose no more than 2-3 clearly articulated objectives
- **Focus and Prioritize:** *If you try to do everything, you'll accomplish nothing.*

- When a goal is achieved celebrate & reframe!
- *“It's much harder to keep a championship than to win one. After you've won once ...it's harder to keep the team focused on doing what it takes to win. Also, you've already done it, so you can't rely on the same drive that makes people climb mountains for the first time; winning isn't new anymore.”*

Bill Russell, *Second Wind*

# Giving and Receiving Feedback Poorly

What are the top pieces of advice you would give a manager you are developing on how to give and receive feedback?

## GIVING

- Being specific, giving examples
- Focusing on behavior
- Being descriptive of scope & impact of the problem (including on feelings)
- Being future-oriented
- Being sensitive, not talking down
- Being constructive

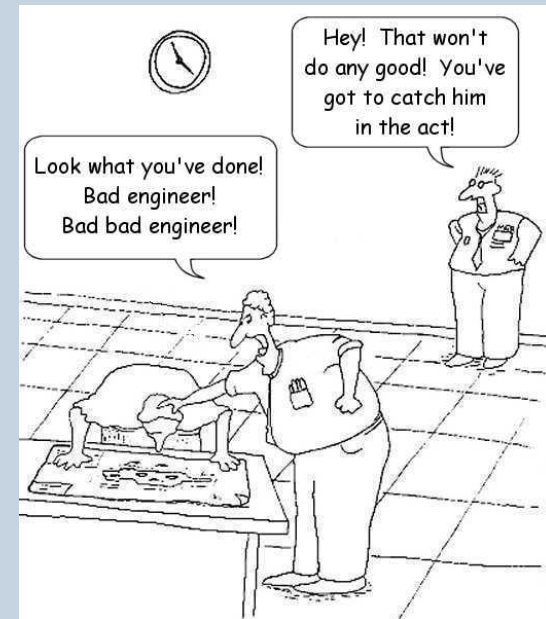
## RECEIVING

- Staying calm and in control
- Listening carefully
- Requesting clarification, asking for examples
- Summarizing what was said
- Acknowledging their opinions
- Checking others' perceptions of the feedback.

“Puppy principle” of effective feedback

Carol Bartz, Yahoo! Ex-CEO

Formal performance reviews should supplement, not replace, ongoing informal feedback



# Whether Formal or Informal Feedback Succeeds when there is...

- A helpful and constructive attitude on the part of the feedback giver
  - Positive feedback must be sincere
  - Negative feedback must be clear, candid and tactful
  - Concentrate on behavior the individual can control
  - Focus on future, rather than past
- A high degree of receiver participation in the conversation
  - Don't just lecture, ask questions to ensure clear understanding
  - Learn their side of the story – how they perceive the situation
- A focus on solving job problems which may be hampering present job performance
- Mutual setting of actionable goals or objectives
- *(See Supplementary Slides for tools and more details on feedback)*

# Problem 2: Summary of Solutions

## 1. Set really SMART goals

- Include employees in goal-setting process to encourage commitment and ensure goal is *really* SMART
- Work with them to develop action plans (daily or weekly tasks)
- Focus on process not just results (the ‘how’ not just the ‘what’)

## 2. Make goals inspiring

- Have few well-thought out goals
- Go beyond #s and results; instill a sense of purpose or mission
- Incentives for exceeding the goals, not just meeting them
- Make sure people understand big picture & leave space for creativity
- If a goal is achieved, celebrate...then develop a new goal

## 3. Have a participative approach to constructive, actionable feedback.

- Give proximal, ongoing feedback on goal progress
- Teach managers how to give & receive feedback

# Problem 3: Metrics Poorly Designed or Utilized

## 3.1 Design

- a) **Measuring what is easy to measure, not what you really want.** Metrics shape behavior. You get the behavior you inspect & reward, not the behavior you hope for.
- b) **Rewarding luck instead of skill**

## 3.2 Utilization

- a) **Keeping rewards a secret** (transparency problems)
- b) **Trying to improve poor performance by giving a reward before performance is achieved** (at best you are rewarding effort)
  - Ex. Saying “good job!” even when it isn’t. Paying for a dirty house
- c) **Not differentiating rewards based on performance** (equity problems)
  - Everyone gets the same raise this year
  - Not holding employees accountable to development plan in performance review (or not having performance review)
  - Any other version of having an unfair reward system

# Measure What You Really Want

## Management Wants

Long-term growth  
Teamwork  
High quality  
Creativity  
Surfacing bad news early

## But Rewards

Quarterly earnings  
Individual effort  
Shipping on time  
Avoiding mistakes  
Reporting good news



Kerr, S. "On the Folly of Rewarding A, While Hoping for B" AMJ, Dec. 1975

Shareholder value  
(maximizing long-term  
cash flows)

Teachers & Scholars  
Learning

Customer satisfaction or Employee  
turnover (has causality been  
verified or just assumed?)

Publications  
Test-taking

# Be Transparent and Fair



## MONKEYS REJECT UNEQUAL PAY

Monkeys have a sense of justice!! *They will down tools if they see another monkey get paid more for the same job.*

$$\frac{\text{Inputs}_{\text{me}}}{\text{Outcomes}_{\text{me}}} = \frac{\text{Inputs}_{\text{other}}}{\text{Outcomes}_{\text{other}}}$$

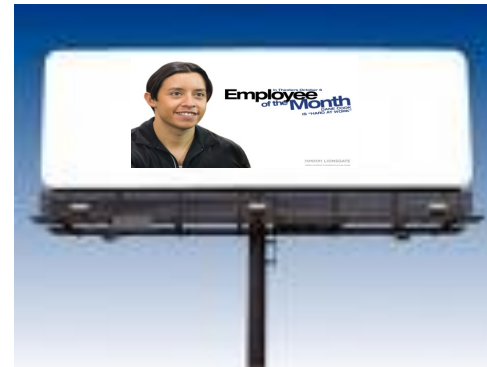
- What I put into an organization should be proportional to what I get out of it
- And...other people shouldn't get better ratio of inputs to outputs than I do or else...
- Most common response
  - Reducing effort to match rewards (input-output ratio)
- Other responses
  - Ask supervisor for a raise
  - Ask supervisor to cut others' rewards
  - Leave the organization
  - Steal more rewards

# Problem 3: Summary of Solutions

- **Have good metrics**
  - Develop metrics that measure what you really want to achieve, not the easy-to-measure behavior.
  - Remember: You will get what you inspect.
  - Beware of unintended consequences of measures.)
- **Be as fair as possible**
  - Use Equity Theory
- **Make the reward system as transparent as possible**
  - People assume lack of transparency means you have something to hide
- **Do not give rewards before they are earned**
- **Reward skill, not luck**
  - Process-oriented incentives preferable when luck plays a large role e.g. investing, sports

# Problem 4: Offered Rewards Are Not Valued / Valued Rewards Are Not Offered

- Assuming everyone is motivated by the same things
- Too much application of the 'golden rule'
- Not knowing what individuals working for you *really* value
- Forgetting there are two types of motivation
- Overemphasizing the importance of monetary rewards (See 5 R's tool)



# What Outcomes Should I Consider? The 5 Rs Tool

- **Rewards** - Salary, incentives, bonuses, benefits
- **Responsibilities** - Variety, autonomy, challenge, promotions, learning
- **Relationships** - Coworkers, supervisors, clients & customers
- **Reputations** - Image, respect, appreciation, feedback
- **Rest & Relaxation** - Hours, scheduling, flexibility, travel, location

\* Rewards, both monetary & social release dopamine (good feelings neurotransmitter)

# Valued Rewards Are Not Offered



## Apprentice Season 2

- Pepsi challenge
  - Design a new bottle for Pepsi
  - Andy Litinsky, team leader
- Why are the incentives having this effect?

## The Risks of Incentives

- Can undermine feelings of choice
  - Lead people to feel controlled and manipulated
- In order to motivate effectively, incentives must be...
  - Delivered in a supportive, respectful manner
  - Tied directly to performance (P-O) (be equitable & fair)
  - Valued by the employee (O)
  - Not work against intrinsic motivation...

# Designing Jobs to Increase Intrinsic Rewards

## Two Types of Motivation:

- **Intrinsic** – love of the task itself
  - E.g., Challenge, meaningfulness, personal growth
- **Extrinsic** – desire to attain outcomes
  - E.g., Money, Status & respect, Career advancement
- *When task is inherently enjoyable, adding extrinsic rewards can reduce intrinsic motivation*

## Skill variety

- Different activities using many of the employee's skills and talents

## Task identity

- Completing an entire piece of work from beginning to end

## Significance

- Impact the job is believed to have on others

## Autonomy

- Employees have freedom & discretion to plan, schedule, and perform their jobs as desired

## Feedback

- Job provides people with information about the effectiveness of their performance

*Hackman & Oldham Model of Job Enrichment*

# Problem 4: Summary of Solutions

- “Different strokes for different folks”
  - Know what individuals working for you value. (Don’t assume because you value something they do as well.)
    - What do you hope to get out of this job?
    - What are your values? What’s important to you at work?
    - What rewards and incentives would you like to see in place here?
    - What would motivate you to work harder?
    - Others? What questions have you used effectively?
- Use a good balance of extrinsic and intrinsic rewards
  - Use extrinsic motivators thoughtfully
    - Recognize people fairly, publicly (as appropriate) and personally.
    - Don’t over rely on money as a motivator & know how to use it
  - Design jobs so they are intrinsically motivating

# Four Common Problem Areas Applying EPO & Summary Solutions

1. **Ability not fully addressed** (select & train carefully: you need people who fit their jobs; resource appropriately)
2. **Performance not clearly defined** (have good goal-setting & feedback practices)
3. **Metrics poorly designed or utilized Rewards not tied to desired performance** (tie rewards to performance, reward *after* people perform, have good metrics, be transparent and fair)
4. **Offered rewards are not valued. Valued rewards are not offered** (know what your people value (extrinsic & intrinsic), avoid unwelcome rewards, be respectful & supportive)

# Key Take-Aways

- **Selection is Key** – choose people who fit jobs and culture/values & keep their skills current
- **Performance Management system needs to be aligned with vision & strategy of the organization**
- **Performance Management system needs to**
  - Be comprehensive (address all parts of the EPO model)
  - Be internally consistent (complementary and reinforcing not have pieces working against each other)
  - Be culturally flexible/adaptable
- **Leadership needs to be credible and trustworthy**
  - Apply the Performance Management system transparently and fairly

# Take a few minutes while ideas fresh...

- What are some specific steps you will take when you return?
  - To solve your development and/or performance challenge
  - To apply what you learned



# Using EPO in Your Organization

## 1. Strengthen E-P beliefs

- Provide more opportunities to use and grow skills
- Increase ability (appropriate resourcing & skills training)
- Define P clearly and carefully (well thought-out goals and expectations)
- Communicate how E leads to P (particularly important with millennials)
- Give appropriate feedback

## 2. Strengthen P-O

- Have clear metrics for evaluation performance
- Make rewards contingent on P (on what you *really* want)
- Make procedures for earning rewards transparent, consistent and fair

## 3. Strengthen O

- Identify and provide what people value—both intrinsic & extrinsic:
  - rewards** (salary, incentives, bonuses, benefits);
  - reputation** (image, respect, appreciation, feedback)
  - responsibilities** (variety, autonomy, challenge, promotions, learning);
  - rest & relaxation** (flexibility, hours, scheduling, travel, location)
  - relationships** (supervisors, coworkers, clients, customers, community)...