Chapter 5
A Study of the Systemic Relationship Between Worker Motivation and Productivity

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ABSTRACT
Three well known theories on worker motivation have proliferated in the literature and practice over the past 50 years, namely Theories X, Y, Z, Expectancy Theory, Equity Theory, Justice Theory, and Goal-Setting Theory, to name a few. We propose a Fourth Theory that is based on the fundamental principles of open systems theory that function in holistic fashion into the phenomenon of systemic motivation. When fully engaged, systemic motivation can influence workers to become more productive than in a system that does not engage. It is the central construct that has been missing in motivation theory. This paper briefly explains systemic motivation and demonstrates its potential in a case study where a motivation effect resulted in an additional $1 million in product throughput.

BACKGROUND ON MOTIVATION THEORY
Motivational theories that adhere to the extreme principles of full management control and employee empowerment (Maslow, 1998) have proven insufficient explanations for employee motivation. Drucker (2007) noted that motivation is a fundamental responsibility of management and added that Theory X control was minimally effective, and observed that managers who apply Theory X management techniques in fact de-motivated workers. In general, however, he considered the debate over Theory X and Theory Y a “sham battle” (p. 222), and studied Japanese management systems in an effort to describe possible alternate approaches for motivating employees. Maslow (1998) had already discovered new trends in motivation and presented the first paper on Theory Z. William Ouchi (1981) also went beyond McGregor’s
Theories X & Y, and wrote Theory Z, to explain Japanese motivation systems. He suggested that productivity is a function of human interpersonal familiarity and confidence. These conditions influence creativity and involve workers in such a way that they improve productivity.

Ouchi observed a distinct difference between the typical Japanese company and the typical American company, the most distinct being the bond between worker and company as a consequence of practices such as lifetime employment. This bond generates a security at the very core of motivation. This is very consistent with Maslow’s hierarchy of needs (Maslow, 1968, 1998) which places, for example, safety (that includes job security) only above the basic physiological human needs. Recently, Jeffrey Liker (2004) described the basis for Toyota’s success, and attributed it to the philosophy of understanding human motivation. Ouchi (1981) observed a similar theme in companies that he researched. Liker, however, simply says that Toyota uses all types of motivation, and Ouchi links motivation to culture. Neither has provided a tenable systemic model though they have provided an abundance of a posteriori evidence of motivation outcome differences.

Given that Japanese managers have created an effective motivation system (Deming, 1986; Ouchi, 1981; Johnson, 1982; Sakaiya, 1991), relying on simplistic Theory X and Theory Y explanations for worker motivation seems grossly inadequate. Ouchi (1981), Johnson (1982), and Deming (1986) all observed a phenomenon too rich to be the result of mere supervisory discretion. Von Bertalanffy (1968) would concur by explaining that a weakness in scientific inquiry and research has been compartmentalization, or a tendency to have a narrow focus that excludes relevant influences and possible interactions that might provide a clearer understanding of what is being studied. Furthermore, Steel and König (2006) specifically noted the absence of integration theories in studies of human motivation. Ambrose and Kulik (1999) surveyed Motives and Needs Theory, Expectancy Theory, Equity and Justice Theory, Goal-Setting Theory, Cognitive Evaluation Theory, and others, and concluded that there has been no central construct to bind the theories. Therefore, we are compelled to sift through current motivation research and propose a Fourth Theory of Motivation.

**MOTIVATION SUBSYSTEMS**

Current research suggests that motivation is systemic (Ouchi, 1981; Liker, 2004; Haefner, 2008; Drucker, 2006; Maslow, 1998; Mizuno, 1984; Deming, 1986; Meyer & Vandenberghe, 2004; Langfred & Moye, 2004; Quigley, Tesluk, Locke, & Bartol, 2007), but what are the elements of a motivation system? From these authors, and others, the elements that contribute to motivation have been constructed into the systemic model shown in Table 1. It shows four motivational subgroups, and the elements within those subgroups. The subgroups are leadership, environment, individual psychology, and deterrence orientation.

**SYSTEMIC MOTIVATION**

The leadership in any organization directly controls two of the four motivation subsystems, and has a profound responsibility in systemic motivation. Moreover, one of the subsystems, deterrence orientation, sets the foundation principles and philosophies by which people are going to be treated. All other motivation subsystems are a function of deterrence orientation, as it is the force that engages or deters the other motivational subsystems. Deterrence orientation determines the degree of motivational saturation, or the mass of positive motivation in play. If we were to describe the motivation system in graphic form, it would appear as Figure 1. Deterrence orientation, leadership, and a brief overview of the motivational subsystems and elements follow.
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