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Wendy R. Boswell
Texas A&M University

Alexander J.S. Colvin
Cornell University ILR School, ajc22@cornell.edu

Todd C. Darnold
Creighton University

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Organizational Systems and Employee Motivation

Abstract

[Excerpt] Motivation is typically thought of as a within-person phenomenon. Yet the individuals at work are a part of a larger organizational system, and as such, a more complete understanding of employee motivation recognizes the role of organizational-level factors in influencing work motivation. Major organizational practices that influence employee motivation include the evaluation, feedback, involvement, and reward systems. In addition, organizational culture and workplace policies and strategies surrounding job security, development opportunities, and diversity play a role in influencing employee motivation at work. The purpose of this chapter is to examine these organizational influences and address the impact of organizational characteristics and contemporary changes in the nature of work systems that influence employee motivation.

Keywords

motivation, organizational culture, career development, performance management

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Comments

ORGANIZATIONAL SYSTEMS AND EMPLOYEE MOTIVATION

Wendy R. Boswell

Texas A&M University

Alexander J.S. Colvin

Pennsylvania State University

Todd C. Darnold

Creighton University

Motivation is typically thought of as a within-person phenomenon. Yet the individuals at work are a part of a larger organizational system, and as such, a more complete understanding of employee motivation recognizes the role of organizational-level factors in influencing work motivation. Major organizational practices that influence employee motivation include the evaluation, feedback, involvement, and reward systems. In addition, organizational culture and workplace policies and strategies surrounding job security, development opportunities, and diversity play a role in influencing employee motivation at work. The purpose of this chapter is to examine these organizational influences and address the impact of organizational characteristics and contemporary changes in the nature of work systems that influence employee motivation.

Motivation, in concert with capability (e.g., skill) and opportunity (e.g., resources), is an important determinant of an individual's behavior (cf. Boxall & Purcell, 2003). A question of particular relevance in today's work context is motivation to do what. This issue (the criterion question) was of specific focus in Chapter 3 of this volume. However, the direction of workplace behavior is particularly important and somewhat unique when we consider the broader organizational context, including recent changes in the workplace, employment relationship, and how work gets done. In particular, recent research has discussed the role of employee behavior focused specifically on helping the organization attain its strategic objectives. The general argument is that the realization of an organization's strategic objectives is through individuals and their behavior (e.g., Boswell, 2006; Jackson, Schuler, & Rivero, 1989), and thus through employee behaviors that are aligned with an organization's strategic goals, organizations are able to enhance execution of their business strategies (Colvin & Boswell,

2005). Organizational-level factors and systems are often aimed at and play a key role in motivating such behavior (that is, strategically "aligned actions," Colvin & Boswell, 2005). For example, as elaborated on below, organizational-level incentive systems such as profit sharing and stock option grants help foster behavior that contributes to organizational strategy by tying employee rewards to organizational performance (Gerhart & Milkovich, 1990). Accordingly, much of our discussion is focused specifically on motivating employee behavior aligned with the organization's larger goals.

In this chapter, we examine the role of organizational-level factors and systems in employee motivation. First, we examine the contemporary nature of the employment relationship and work that set the context for employee motivation within current organizational systems. In the next section we briefly review the role of specific work practices and characteristics that affect employee motivation. In particular, we discuss the role of such practices and work characteristics in affecting determinants of motivations (e.g., work attitudes and perceptions) as well as the motivation process itself (e.g., effort, goal choice). We then describe the systems perspective that serves as an integrative framework for how organizational-level factors influence work outcomes and specifically employee motivation. Finally, we conclude with an agenda for future research and discussion of the challenges.

The Contemporary Work Context

Recent changes in the workplace and emergent employee-employer relationships hold important implications for the ways in which organizations can and do motivate their

employees. To understand individual motivation within the larger organizational system, it is first important to examine the broader work context in which employees and firms interact.

The Nature of the Employment Relationship

Changing economic trends, competitive pressures, and new organizational structures have led to what many refer to as the changing nature of (or "New Deal" in) the employment relationship (cf. Capelli, 1999; Roehling, Cavanaugh, Moynihan, & Boswell, 2000; Rousseau, 1996). The general argument is that such changes in the economy and business environment have led to changes in what firms and employees expect from each other in the employment relationship. For example, there is greater emphasis on employees taking initiative and responsibility for organizational improvement and innovation. In turn, employees are often evaluated and rewarded based on their value-added. As another example, the increased pace of change in business environments has meant less organizational stability. The result has been less reliance on traditional promises of job security and long-term career development within a single company (Sims, 1994).

Consistent with these changes, organizations have become more and more "boundaryless" or "jobless" (Ashkenas, Ulrich, Jick, & Kerr, 1995; Bridges, 1995). Accordingly, we have seen evidence of a paradigmatic shift from employees performing narrowly defined job duties to an expectation that employees understand the "big picture" and help contribute as needed to the attainment of firm goals (Boswell, 2006; Lawler, 1994). This again supports the importance of motivating employee actions aligned with the larger organizational objectives, yet also suggests that the greatest value for an organization is likely to stem from the more discretionary and unspecifiable employee actions. Indeed, various theorists (e.g., Simon, 1991; Weick & Roberts, 1993) have emphasized shaping employee mind-sets (or "collective minds")

rather than prescribing behaviors (often defined by a formal job description) to foster those decision-making premises that are in line with an organization's goals. Simon observed (1991), "Doing the job well is not mainly a matter of responding to commands, but is much more a matter of taking initiative to advance organizational objectives....For the organization to work well, it is not enough for employees to accept commands literally....What is required is that employees take initiative and apply all their skill and knowledge to advance the achievement of the organization's objectives" (p. 32). More recently, Boswell (2006) emphasized the importance of employees understanding the larger organizational objectives and how to effectively contribute to those objectives; that is, have "line of sight" to the organization's larger goals and imperatives as an important force in motivating employee behavior aligned with organizational strategy.

The contemporary nature of the employment relationship has important implications for employee motivation. First, motivating individuals in the face of new workplace structures such as lessened job security yet heightened employee autonomy, responsibility, and interdependencies among workers poses challenges for organizations. On the one hand, firms may expect more from employees in terms of adding value, yet on the other, may appear less committed to a long-term relationship. This could be thought of as a transition from a paternalistic relationship to more of a partnership between employees and employers, where employees will be most interested in and motivated by challenging and interesting work, understanding one's contributions to business objectives, and sharing in the success of the organization, rather than notions of security, continuity, and future career prospects (Anderson & Schalk, 1998). Expectations in the employment relationship also suggest that discretionary and unspecifiable employee behavior aligned with an organization's strategic objectives is likely of greatest value to an organization. How to motivate such behavior is an important organizational challenge given that by definition it cannot be defined a priori. Yet, many of the organizational practices typically linked to employee motivation, such as reward systems and performance management (discussed below), have been transformed to focus on motivating such behavior, thus recognizing the new business and employment environment and helping to address these challenges.

Psychological Contracts and Idiosyncratic Deals

Employees' perceptions about the employment relationship and expectations at work are reflected in their "psychological contract" (Rousseau, 1989). At a general level, the employee psychological contract construct refers to beliefs about the terms of exchange between employees and employers (e.g., Argyris, 1960; Rousseau, 1995; Schein, 1980), that is, what the employee will contribute and what the employer will provide. Research in this area has focused on classifying the beliefs that make up psychological contracts (e.g., Herriot, 1997; Roehling & Boswell, 2004; Rousseau, 1990), and investigating violations and the effects on employee attitudes and behaviors (e.g., Robinson, 1996; Robinson & Rousseau, 1994; Turnley & Feldman, 2000). As subjective perceptions, psychological contracts are likely to be influenced by a wide range of factors operating at different levels, including social norms, organizational culture, employment policies and practices, interactions with others in the workplace, and personal characteristics of the individual (e.g., needs, values, dispositions) (cf. Anderson & Schalk, 1998; Cavanaugh & Noe, 1999; Rousseau, 1995).

An employee's psychological contract provides an important foundation for motivating his or her behavior. Beliefs about the exchange relationship help to define for an employee what is expected in terms of effort. For example, psychological contracts help to direct an individual's goals and goal-striving processes by defining expectations and goals consistent with the organization's strategy. Perceived contract violations are an additional influence on work motivation. An employee who perceives the company is not holding up its end of the deal is likely to reduce his or her efforts and contributions. Taken together, establishing and maintaining the psychological contract holds great potential for organizations in terms of improving (or impairing) and directing employee motivation. From a strategic perspective, psychological contracts help to ensure that employees are committed to working toward organizational objectives, engaging in behaviors aligned with the strategic goals developed by managers.

A recent theme in both the academic and practitioner literatures is that "one size does not fit all" in regards to managing the employee-employer exchange relationship. Building on the psychological contract's literature, Rousseau and colleagues' (Rousseau, 2001, 2005;

Rousseau, Ho, & Greenberg, 2006) discussion of idiosyncratic agreements (or "i-deals") is quite prominent in this context. I-deals are individualized, nonstandard agreements between an employee and the employer, and as such are flexible arrangements by definition. Though such arrangements may be important in attracting and retaining individuals, inconsistency in employment arrangements may erode trust and fairness perceptions among employees (Rousseau, 2001). As such, i-deals have important implications for motivational determinants, including employee attitudes (e.g., organizational commitment) and justice perceptions.

I-deals may also help to direct goal choice and goal-striving processes. In particular, i-deals may lead to greater pay dispersion among employees. Although tournament theory suggests that high pay dispersion should increase motivation as employees compete to win the prize of higher pay (Ehrenberg & Bognanno, 1990), a growing body of research indicates that lower pay dispersion can improve performance, in part by improving motivation directed at achieving group or collective goals (Bloom, 1999; Bloom & Michel, 2002; Colvin, Batt, & Katz, 2001; Cowherd & Levine, 1992; Pfeffer & Langton, 1993). We may thus expect i-deals to work against collaboration among co-workers and foster more self-interested types of work behaviors.

Yet, i-deals move beyond the use of wages to differentiate among employees by focusing on a broadened employment package to include nonmonetary and particularistic resources (Rousseau et al., 2006). Particularistic resources, such as increased job scope or mentoring, provide an organization informal and less standardized ways to compensate workers compared to more concrete pay/benefits, and thus are likely easier for an organization to offer (Rousseau et al., 2006). Particularistic resources likely signal to individuals a more high-quality employment relationship, based on socioemotional exchange "particularly if the resources bargained for include forms of personal or emotional support" (Rousseau et al., 2006). As such, organizational commitment and other attachment-related variables are likely enhanced.

Though the notion of "exceptions to the rule" in the employment context has existed for many years (e.g., Frank & Cook, 1995; Rosen, 1981), the increasingly diverse nature of the workforce coupled with the decreasing expectation for a traditional career suggests a growing

interest on the part of employees to seek i-deals. Accordingly, i-deals offer organizations a specific way to attract, motivate, and retain employees in this contemporary employment context. Yet with the importance of recognizing individual differences (e.g., Humphreys & Revelle, 1984) as well as the role of justice and fairness (e.g., Lind & Tyler, 1988) to employee motivation, seeking a balance between flexibility and consistency becomes a key organizational challenge in managing the employment relationship (Rousseau, 2001).

Work Practices and Employee Motivation

The following section provides a brief overview of organizational work practices that have a direct influence on employee motivation.

Organizational Culture and Climate

Organizational culture and climate focus on how organizational participants experience and understand organizations (Schneider, 2000). Although culture and climate hail from different scholarly traditions and disciplines, they are both about understanding psychological phenomena in organizations, and each is based on the assumption of shared meaning regarding some aspect of the organizational context (Ostroff, Kinicki, & Tamkins, 2003). Climate is commonly defined as the shared perceptions among job incumbents of formal and informal organizational policies, procedures, and practices (Reichers & Schneider, 1990), and is typically thought to shape employee inferences about what the organization is like, what goals it will pursue, and how employees can best help attain those goals (Reichers & Schneider, 1990; Schneider, Brief, & Guzzo, 1996). Schein (1992) defines organizational culture as a pattern of shared basic assumptions that are taught to new organizational members as the "correct" way to perceive, think, and feel in the organizational context. Accordingly, culture pertains to employees' fundamental assumptions (Schein, 1992) and ideologies (Trice & Beyer, 1993). While climate is about experiential descriptions or perceptions of what happens, culture helps define why things happen (Schein, 2000; Schneider, 2000). As such, climate is more immediate than culture in the employee's mind (Ostroff et al., 2003).

Organizational practices serve as indicators of both organizational culture and climate, and provide signals to employees regarding the expected nature of their effort and performance (Guzzo & Noonan, 1994; Kopelman, Brief, & Guzzo, 1990). These signals are more salient to employees when they perceive consistent leadership and there are high levels of employee cohesion and interaction (Gonzalez-Roma, Peiro, & Tordera, 2002; Nau- mann & Bennett, 2000; Rentsch, 1990). Expectancy theory suggests that employees will be motivated to pursue organizational goals when it is clear how to achieve valued rewards. In this way, culture and climate help clarify these performance-reward contingencies (Kopelman et al., 1990; Vroom, 1964). In addition, sociologists argue that employees behave in accordance with signaled organizational expectations to fulfill their need for social approval (e.g., Blau, 1960) and to feel justified in their behavior (Salancik & Pfeffer, 1978). Finally, Schneider (1975) argued that individuals are compelled to conform to organizational expectations to help maintain harmony with the social environment. Individuals seek to maintain this balance with their environment and, as a result, will adapt their responses to be congruent with the culture or climate.

Though there is little consistent evidence for a direct relationship between culture and job performance (Kopelman et al., 1990; Ostroff et al., 2003), specific organizational climates have been empirically linked to employee motivation and performance outcomes (e.g., Pritchard & Karasick, 1973). Further, specific climates (e.g., climate for justice or technical updating) have been linked to helping behaviors (e.g., Naumann & Bennett, 2000) and job performance (e.g., Kozlowski & Hults, 1987). Perhaps most notable is research on climates for service and safety. Schneider and colleagues (e.g., Schneider & Bowen, 1985; Schneider, Ehrhart, Mayer, Saltz, & Niles- Jolly, 2005; Schneider, White, & Paul, 1998) have shown how climates for service influence criteria such as service quality, customer-focused citizenship behavior, and performance outcomes, including sales. Climate has also been directly linked to motivation in the safety context (e.g., Griffin & Neal, 2000). For example, taking a multilevel perspective, Zohar and Luria (2005) found that an organizational-level safety climate led to the alignment of a group-level climate, which then predicted employee safety behavior. Hofmann and colleagues (e.g., Hofmann, Morgeson, & Gerras, 2003; Hofmann & Stetzer, 1996) have

similarly shown how a safety climate motivates safety behavior and safety outcomes (e.g., accidents). Research in this area has also examined the role of climate strength (i.e., within-group variability) (e.g., Schneider, Salvaggio, & Subirats, 2002). Stronger climates reflect clear, internally consistent, and stable prioritization of organizational goals, thereby focusing employees on "appropriate" behaviors (Zohar & Luria, 2005). Taken together, research has consistently shown the important role of organizational climates in directing employee behavior. As argued by Zohar and Luria (2005), "Employees, as members of the organization as a whole and of subunits in that organization, develop consensual multilevel assessments of the most significant environmental features in terms of desired role behavior, and then act accordingly" (p. 617).

Compensation and Reward Systems

Compensation serves as the primary extrinsic rewarcl employees receive in return for their organizationally aligned behavior; as such, it seems appropriate to review its role in motivating individual action in support of organizational goals. Locke, Feren, McCaleb, Shaw, and Denny (1980) concluded, following the first meta-analytic review of the literature, that no other incentive or motivational technique compares to money in terms of its instrumental value. Subsequent meta-analyses generally supported this statement (e.g., Guzzo, Jette, & Katzell, 1985; Jenkins, Mitra, Gupta, & Shaw, 1998). Thus, in terms of motivating behavior toward organizational objectives, the operative question for employees can be posed as follows: If the organization succeeds in its strategy and I contribute to that success, will I benefit in terms of my compensation? Incentive compensation systems attempt to align employee interests with those of the organization by making compensation contingent on particular outcomes or behaviors. Accordingly, the focus of this review is on understanding the relationship between incentive compensation programs and employee motivation that, is aligned-"(with the organization's strategic goals.

Expectancy theory (Vroom, 1964) views individual performance as a joint function of ability and the motivation to engage in one level of behavior over another. Motivation, in turn, involves each person's (1) expectancy that her efforts will lead to a desired level of

performance, (2) belief that her performance will lead to valued outcomes (instrumentality), and (3) value for a given outcome (valence). Accordingly, compensation systems will be most effective when individuals believe their effort will gain them a valued reward. For organizational compensation systems, this suggests that making rewards contingent upon organizational outcomes that result from desired employee behaviors will increase the motivation of employees to engage in those behaviors if the above expectancy requirements are / met (Gerhart & Milkovich, 1990).

While expectancy theory clearly supports the use of individual-level incentive compensation plans, its predictions regarding group- or organizational-based incentive compensation plans are not so clear. Bar- tol and Locke (2000) note that expectancy theory seems to work best when situations are structured such that courses of action and the consequences of those actions are clearly defined. Accordingly, when it is unclear to individuals how their behavior is linked to organizational goals or how their behavior is linked to the reward level they stand to receive, they could be less motivated to put forth organizationally aligned effort. Further, if an employee expects that the group will be successful in achieving organizational goals without his effort, he may not be motivated to put forth effort (e.g., social loafing, the tragedy of the commons). Conversely, if an employee expects that the group will be unable to achieve organizational goals even with his best efforts, he may not be motivated to put forth these efforts (e.g., reduction of individual effort in response to work group social norms of restricting work effort or performance).

Expectancy theory approaches the issue of motivation from a relatively positive psychological viewpoint. In contrast, agency theory (Jensen ^ & Meckling, 1976) assumes that employees find work aversive and will choose leisure or shirking whenever possible. In order to avoid shirking, the organization must either invest in behavioral monitoring, which is often costly and difficult when jobs involve uncertainty or discretionary behavior, or motivate the employee through the use of contracts that align the outcomes of the employee with those of the organization. In the employee motivation frame, agency theory states that employees will only be motivated to work toward the goals of the organization without a great deal of monitoring when their interests are aligned with those of the organization. Alignment is

achieved when the organization provides the employee with sufficient incentive to pursue organizational goals. The degree of incentive necessary will vary with the degree of extra effort or risk the organization requires of the employee.

The literature focuses on three main group/organizational-level incentive compensation programs. Each is designed to provide the employee a valued reward in exchange for organizationally aligned performance, thus addressing both expectancy and agency requirements. First, gfain sharing links collective performance to individual rewards and is generally based on productivity improvement. To date the empirical findings have been quite supportive (Gerhart & Milkovich, 1992; Gerhart & Rynes, 2003). Two interesting and well-executed studies typify the literature. Wagner, Rubin, and Callahan (1988) and Petty, Singleton, and Connell (1992) investigated the effect of gain-sharing plans, finding that productivity and citizenship behavior increased while labor costs and employee grievances decreased. Gain-sharing programs are particularly well suited to motivating collaboration among co-workers by aligning incentives with outcomes from group- or team-level behavior. Since gain-sharing programs are generally tied to improvements in the collective productivity of a group of workers, employees who engage in strategies of competing, not collaborating, with their fellow work group members are less likely to achieve desired rewards, and in turn reduce the likelihood of reward for their peers.

Profit sharing is distinct from gain sharing in that it is based on profitability measures of firm performance. The use of profit-sharing plans appears to increase productivity by around 5% (e.g., Doucouliagos, 1995; Kruse, 1993; Weitzman & Kruse, 1990). Further, employees have generally favorable attitudes toward profit-sharing plans and believe that they are effective in improving productivity and company performance (Weitzman & Kruse, 1990). Whereas gain-sharing programs are particularly well suited to motivating collaborative behavior among employees in work groups, profit-sharing plans are aimed at fostering motivation and commitment toward the overall organization.

Under stock plans such as Employee Stock Ownership Plans (ESOPs and stock options) employee reward is tied to stock price and, in turn, shareholder value. Theoretically, like profit sharing, these plans directly align the interests of the employee with those of the organization.

Gerhart and Milkovich (1990) showed that when 80% of managers were granted stock options, the predicted return on assets was 6.8%, compared to 5.5% when only 20% of managers were granted options. Support for a relationship between ESOP plans and productivity is tentative. Doucouliagos (1995) reports that the mean weighted firm-level correlation between employee stock ownership and productivity is .03 (k = 17, n = 31,323). This relatively weak relationship may reflect the lack of a proximal connection between organizational stock price and individual employee commitment or positive behaviors such as collaboration in the workplace. Indeed, while one goal of organizational-level incentives such as stock-based rewards is to motivate behavior that contributes to firm performance, growing commentary holds that it is difficult for individuals to see a link between their effort and firm performance (e.g., Bartol & Locke, 2000; Lawler, 1991; Lawler & Jenkins, 1992; Orlitzky & Rynes, 2001), thus bringing into question the effectiveness of such plans in motivating behavior.

Performance Management

The primary goal of a performance management system, including the measurement, appraisal, and feedback of performance, is to link the activities and outputs of the employees to the needs of the organization. Through performance management systems, organizations are thus offered a key opportunity to motivate workplace behavior aligned with its strategic imperatives.

Employee understanding of the organization's strategic objectives and how to contribute to those objectives (i.e., line of sight toward the strategic objectives of the organization) has been discussed as an important determinant of whether employees direct their skill and knowledge toward the organization's strategic imperatives (Boswell, 2006; Boswell & Boudreau, 2001). Consistent with this, and as noted above, Simon (1991) and others (e.g., Weick & Roberts, 1993) hold that organizations should go beyond prescribing specific actions and aim to shape employee mind-sets (or "collective minds") because it is often difficult to anticipate what actions will best help the organization. Increasing employee line of sight may provide one way of shifting employee mind-sets and ultimately performance toward organizationally aligned thinking and decision making.

Boswell (2006) discussed line of sight in terms of both understanding the organization's strategic goals and objectives and knowing how to contribute toward their accomplishment. The line-of-sight construct focuses on employee's cognitive awareness of important (and unimportant) organizationally focused behaviors rather than behavioral outputs. Employee knowledge is viewed as an important determinant of behavior, yet employee knowledge of strategic goals and objectives is not necessarily enough to produce strategic success for the organization. Employees must take action and the resulting behavioral outputs must lead to organizationally valuable outcomes. Thus, employee line of sight is a necessary (but not sufficient) component for organizationally aligned motivation and behavior.

As noted, many of the individual behaviors required to advance a firm's strategic objectives are discretionary, and appropriate actions in advancement of the firm strategy may, at times, be difficult to define in advance. This suggests a particularly important role for employee "line of sight," as it helps equip employees to more effectively engage in those actions that are not readily controlled by management or defined by a formal job description. Thus, line of sight is likely of greatest organizational value when employee actions are more discretionary in nature or less controllable by managers by helping to direct employee behavior aligned with the goals of the firm.

Line of sight is likely of more organizational value among certain employees within an organization. In particular, it is imperative for employees with greater impact on core business processes as well as those that have more job decision latitude to direct their behaviors in alignment with the organization's strategic goals (Boswell, 2000). Core employees need line of sight due to the strategic importance of their work and the greater chance that misalignment will be detrimental to the organization's functioning. Line of sight will similarly help to mitigate the risk associated with employees having autonomy and making decisions that impact the organization. Thus, as noted by Boudreau and Ramstad (1997), it is important for organizations to focus efforts where real value can be added or constraints likely exist.

This discussion of line of sight is quite related to the more general notion of person-organization (P-O) fit and, specifically, goal congruence. Indeed, George (1992) proposed that the implicit assumption behind desiring individuals to "fit" is that they will behave in a way

congruent with the organization's goals, or as noted by Kristof (1996), "do the right thing." Prior research in this area has proposed and found that self-other congruence on goals associates positively with work attitudes, employee retention, and performance outcomes ostensibly due to greater integration, positive reinforcement, and a supportive and cohesive relationship (e.g., Kristof-Brown & Stevens, 2001; Vancouver, Millsap, & Peters, 1994; Vancouver & Schmitt, 1991; Yukl & Fu, 1999). Jauch, Osborn, and Terpening (1980) proposed that goal congruence helps ensure employees will "direct their efforts toward those goals most highly prized by top management" (p. 544). Conversely, "lack of understanding may adversely affect performance as workers may work on low-priority goals" (Witt, 1998, p. 667).

Locke's goal-setting theory is of course quite relevant to this discussion. Briefly, goals influence behavior by directing attention, encouraging task effort and persistence, and facilitating strategy development (Locke, Shaw, Saari, & Latham, 1981). As discussed in previous chapters, a large body of literature supports the important role of goal setting, specifically difficult and specific goals, to employee performance. Locke and Latham (2002) reported that to maximize the effectiveness of goal setting, employees must become personally committed to goal attainment. The concept of line of sight is in tune with this notion. By helping employees understand both the organization's goals and how to effectively work toward them, line of sight should foster perceived goal importance and goal commitment, increasing the chances that employees will adopt, and thus help achieve, organizational goals (Boswell, 2006). Employees may be better able to work toward work goals and regulate their work behaviors more effectively due to having greater awareness of and the opportunity to remove contextual and personal barriers or constraints to performance.

How can human resource management (HRM) practices create greater alignment between employee and organizational goals? While companywide meetings, correspondence from top management, and articulating value propositions may effectively communicate organizational-level goals to employees, more direct one-on-one performance management from the immediate supervisor is likely key to linking employee actions to the organization's strategic goals. Management by objective (MBO) approaches link individuals to the larger organization by cascading goals, measures, and rewards. The idea is to align firm-level

objectives to individual performance targets. Alignment is most likely to occur when managers are willing to share the reigns of control and involve employees in setting goals and decisions affecting their jobs (Boswell, 2000; Boswell, Bingham, & Colvin, 2006).

Communication of clearly defined strategies, goals, and objectives is essential for strategically aligned behaviors. Cohen, Mohrman, and Mohrman (1999) found that in knowledge teams there was a positive relationship between clearly defined organizational strategy and team members' shared understanding of that strategy. Further, Lengnick-Hall and Wolff (1998) proposed that clear articulation of the organization's strategy is useful both in determining the appropriateness of the company's strategy and in uncovering and resolving contradictory behavior across the firm. But, again, communication of employee roles in contributing to the organization's larger objectives is likely of greater value than simply articulation of the firm's broad mission statement or business strategy.

Like many organizational practices, perceived fairness plays a key role in the context of performance management. For example, procedures that provide for process control on the part of the individual should enhance perceptions of fairness. Consistent with this, a series of studies have shown that opportunities to provide input into the performance appraisal process help to enhance perceived justice (e.g., Kanfer, Sawyer, Earley, & Lind, 1987; Landy, Barnes, & Murphy, 1978). In terms of goal-setting theory, there is evidence that participative goal-setting procedures and the accompanying enhanced sense of control and opportunity to express one's opinion enhance goal commitment and ultimately performance (e.g., Early & Kanfer, 1985; Erez & Arad, 1986).

Career Development, Employability, and the Changing Nature of Careers

In the context of traditional, within-organization careers, there is evidence suggesting that support for career development produces positive employee attitudes and enhanced work motivation. If employees are beginning careers that will proceed on tracks within the current employing organization, information about and assistance with developing on these career tracks is likely to produce positive responses. For example, Riordan, Weatherly, Vandenberg, and Self (2001) found that organizational socialization activities, including information

regarding career paths within the organization, produced positive attitudes among new employees. Similarly, employees who are mentored have been found to have higher levels of organizational-based self-esteem than those who are not mentored (Ragins, Cotton, & Miller, 2000). Information about and assistance with development on within-organizational career tracks are likely to have similar positive effects. For example, based on expectancy theory we would predict that employees who anticipate that improved effort on their part will lead to greater progress up desirable career tracks within the organization are likely to have higher levels of work motivation.

The changing nature of careers, including the shift toward a focus on employability and career tracks external rather than internal to the organization, has important implications for work motivation. If an employee views her future career as likely to involve employment at other organizations, then she will increasingly require for motivation job assignments and development opportunities that will enhance her opportunities in the external labor market. In a study of the impact of the new psychological contract on career management, Sturges, Conway, Guest, and Liefooghe (2005) found that individual and organizational career management behaviors, such as networking and training, were linked to psychological contract fulfillment. Further, informal career management help from managers was associated with higher levels of organizational commitment and better job performance (Sturges et al., 2005). The implication of their finding is that if organizations want to motivate employees in the context of externally oriented career paths, they will need to assist these employees in enhancing their own employability.

Fried and Slowik (2004) describe how notions of time can affect employee motivation in relation to careers. They argue that employee decisions about alternate career paths are affected by the length of time it will take to achieve desired career goals. Employees with higher growth needs will have higher expectations of experiencing challenging job tasks over a shorter time horizon (Fried & Slowik, 2004). If the organization does not provide these employees with such opportunities over a sufficiently proximate time horizon, they will be likely to look outside the organization to meet these goals. In this sense, a shift toward a focus on employability and externally driven career tracks will increase the pressure on organizations to

provide more frequent challenging, growth-oriented job assignments if they wish to motivate employees.

Employment Security

Despite the growing emphasis on the development of a new psychological contract oriented toward employability, it is still the case that the presence or absence of employment security is likely to have substantial effects on employee attitudes and work motivation. As Pierce and Gardner (2004) hypothesized, "People who feel that their organizational security is threatened may come to feel that they are no longer an important part of the organization" (p. 605), reducing their organizational-based selfesteem and work effort. In support of this contention, studies have found evidence of a negative relationship between job insecurity and self-esteem (Hui & Lee, 2000; Proenca, 1999). In addition, Batt, Colvin, and Keefe (2002) revealed the deleterious effect of downsizing on remaining employees, finding, for example, that a recent history of layoffs in the workplace was associated with higher employee quit rates. These results indicate that there may be dangers in organizational downsizing strategies of increasing employee perceptions of job insecurity, thereby producing de-motivation and other negative work outcomes (e.g., reduced commitment).

Employee Involvement/Voice Systems

Practices that enhance employee involvement and voice in the workplace are also relevant to work motivation, particularly given the link to empowerment. Employee involvement is based on the notion that those doing the work are well placed to provide suggestions and make decisions about how best to improve the quality and efficiency of the work (Ichniowski, Kochan, Levine, Olson, & Strauss, 1996). One theoretical basis for expecting a positive relationship between employee involvement policies and work motivation is Hackman and Oldham's (1976, 1980) job design theory, which suggests that greater autonomy of jobs will be linked to higher motivation. One mechanism for this link may be that higher involvement and autonomy produces greater self-esteem, enhancing work motivation (Pierce & Gardner, 2004). Related to this is the idea that employees who experience greater feelings of empowerment will be more

productive (Spreitzer, 1996). Liden, Wayne, and Sparrowe (2000) found that psychological empowerment mediated the relationship between the core job characteristics (e.g., skill variety, feedback) and work attitudes and performance. Taken together, these arguments suggest that employee involvement policies producing jobs characterized by greater autonomy, self-esteem, and feelings of empowerment should lead to greater effort, producing improved job performance.

Employee involvement practices range from semiautonomous problemsolving groups to fully autonomous self-directed work teams (Appel- baum & Batt, 1994). A number of studies have examined the relationship between different types of autonomous or semiautonomous work teams and work motivation-related outcomes. In a longitudinal study, Pearson (1992) found that over time job motivation increased for semiautonomous compared to nonautonomous work groups. Similarly, Cordery, Mueller, and Smith (1991) found that, compared to traditionally organized work groups, semiautonomous teams had higher levels of job satisfaction and organizational commitment, but also higher levels of absenteeism and turnover. By contrast, Batt and colleagues (2002) found both off-line participation groups and self-directed work teams to be associated with lower employee quit rates. Taking a different but related approach, Kirk- man and Rosen (1999) found that teams that experienced greater empowerment were more productive and had higher levels of customer service, job satisfaction, and organizational and team commitment.

Employee voice may also be provided through complaint or grievance procedures. Organizational justice theory suggests that effective voice mechanisms can help induce high levels of job satisfaction and organizational commitment among the workforce (Sheppard, Lewicki, & Minton 1992; Folger & Cropanzano, 1998). In an experimental study, Olson-Buchanan (1996) found that access to a grievance system enhanced organizational commitment. However, Batt and coauthors (2002) found weak or no effects of nonunion grievance procedures on quit rates. Yet we suspect that the type of voice system may matter. In support of this, Olson-Buchanan and Boswell (2002) found that more informal means of voice (e.g., communicating directly with a supervisor) associates with positive work outcomes.

Employee Diversity Policies

Organizational adoption of workforce diversity policies may have both direct and indirect effects on work motivation. There may be a direct motivating effect from the adoption of diversity policies to the degree that employees support the enhancement of diversity and view the organization positively for having adopted these policies. However, among employees who do not support diversity policies, there may be a de-motivating effect from the adoption of these policies, particularly to the degree that they view their own career advancement or other opportunities as being negatively affected by diversity policies. A study of federal employees by Parker, Baltes, and Christiansen (1997) examined the effect of perceptions of organizational support for affirmative action/equal opportunity (AA/EO) policies on justice perceptions and work attitudes. As predicted by the authors, among women and racial-ethnic minorities, perceptions of organizational support for AA/EO polices were positively associated with justice perceptions and perceived career development opportunities. Contrary to expectations, there was no association for white males between organizational support for AA/EO policies and loss of career development opportunities or organizational injustice. This result suggests that adoption of diversity policies may be able to produce a motivating effect for female and racial-ethnic minority employees, while not having a demotivating effect on white male employees.

Adoption of diversity policies may also have an indirect impact on work motivation through the impact of increased diversity itself. Here the key question is whether working as part of a more diverse workforce increases or decreases employee work motivation. In a study of culturally homogenous and culturally diverse (by race-ethnicity) work groups, Watson, Kumar, and Michaelsen (1993) found that the more culturally homogenous groups initially performed better than the culturally diverse work groups. However, over the 17-week study period, the performance of the culturally diverse work groups converged with that of the culturally homogenous work groups. The results of this study suggest the need for caution in studying the effects of diversity policies due to changing impacts over time. Lastly, for organizations, any attempt to select membership in work groups by the racial or ethnic group membership of the employees is obviously legally problematic under employment discrimination law.

The Role of Values: Intrinsic Motivation

Locke and Henne (1996) contend that values are inherent in most work motivation theories. Values are rooted in needs and provide a fundamental basis for goal setting. Like goals, values have the ability to arouse, direct, and sustain behavior as they act as a normative standard to which potential behavior is compared. Values differ from goals in that they are more specific, as such values will lead to organizationally aligned motivation and action through goals.

A growing body of research suggests that employees derive value from sources other than extrinsic rewards. Accordingly, employees can be motivated to pursue goals based on values unrelated to compensation. Several perspectives highlight the benefits of alignment between an employee's values and those of the organization/'One such perspective is the notion of person-organization fit, which is often conceptualized as the degree of alignment between employee and organizational values (Chapman, 1989; Kristof, 1996). The staffing literature, in what Cable and Edwards (2004) described as the supplementary fit tradition, has suggested that organizations should consider the degree of value congruence between potential employees and the organization as a positive factor in hiring decisions. A recent meta-analysis by Kristof-Brown, Zimmerman, and Johnson (2005) reported that when value congruence exists, employees will be more attracted to the organization, committed to the organization, satisfied with their job, and likely to remain on the job. Cable and Edwards (2004) also demonstrated that in addition to the supplementary fit effect deriving from value congruence, there is a separate and simultaneous complementary fit effect deriving from the degree to which working for the organization satisfies unmet psychological needs of the employee. Organizations may be able to attract potential employees and motivate behavior aligned with the organization's goals and values in part through satisfying unmet psychological needs for meaning and value in their work.

A second, but closely related, perspective is Schneider's (Schneider, 1987; Schneider, Goldstein, & Smith, 1995) attraction-selection-attrition (A-S-A) model. According to the model, an organization's culture is constructed by the employees that make up the organization. P-O fit theory and the A-S-A model suggest that individuals value similarity between themselves and their surroundings; thus, they should be more likely to be committed and motivated when that

value is met. Recruiting and selecting individuals based on the values of the organization may then increase the likelihood that individuals will be motivated to work toward organizationally aligned goals.

The organizational identity literature has argued that employees derive part of their social identity from the image of the organization in which they work (Dukerich, Golden, & Shortell, 2002). To the degree that employees perceive that the organization has an image that reflects positively on their own social identity, they will make greater efforts to contribute to the organization's success. For example, Dukerich et al. (2002) found evidence that physicians were more willing to engage in cooperative behaviors where they perceived a more positive identification with the image of the health care systems with which they were associated. A practical implication of this is that organizations should work to maintain a positive image and to educate employees on the positives of the mission and values of the organization.

A final perspective regarding the intrinsic value of work was given ^ prominent recognition in Hackman and Oldham's (1976, 1980) job design theory. They argued that experienced meaningfulness of work is critical in determining work outcomes. Under the theory, experienced meaningfulness is derived from job design features such as skill variety, task identity, and task significance. Although the theory is based at the level of the individual job, the idea that individuals derive meaning from the intrinsic value of what is produced also has implications for how we think about alignment between the employee and the organization.

Each of these perspectives assumes that individuals have interests in work that go beyond monetary concerns. Contrary to agency theory, expectancy theory appears quite accepting of these broader perspectives of employee interests. As long as the employee indeed does value the intrinsic reward (valance), expectancy predictions remain intact regardless of the type of reward. Accordingly, employees can be motivated by more than just extrinsic rewards, and organizational and individual value systems (and their fit) are likely to play a key role in affecting motivational states (e.g., work attitudes) and the motivational process itself (e.g., level of effort, goals).

This analysis has implications for staffing strategies in particular, since the ability of the organization to attract and select employees who derive intrinsic value from their employment with the organization has the potential to produce greater motivation and positive work outcomes from these employees. From a research perspective, this analysis suggests the need for studies that test links between the intrinsic rewards derived by employees from work and relevant macro-level organizational characteristics such as firm strategy, culture, and image. In this regard, we echo Ployhart's (2004) call for staffing research linking together micro- (individual) and macrolevel perspectives through multilevel research designs.

The Role of the Above Practices for Specific Segments of the Workforce

The above discussion takes a somewhat universalistic perspective on how organizational factors influence employee motivation. Yet there are likely individual differences in motivating behavior. For example, a study by the Society for Human Resource Management (2003) indicates that job satisfaction is declining with the changes in the workforce and that factors that lead to job satisfaction differ depending on an employee's age, gender, and other demographic characteristics. Given the diverse and changing nature of our workforce, it is thus important to examine the role of organizational practices in motivating specific groups of individuals.

With the aging of the workforce, it becomes increasingly important to consider the problem of work motivation for older workers. Kanfer and Ackerman (2004) examined the relationship between aging and work motivation using an adult development framework. They argued that organizations will need to try different motivational strategies over the life course of employees, depending on the degree to which their jobs involve demands on fluid intellectual abilities, which deteriorate over time, or crystallized intellectual abilities, which grow over time. They also argued that "the attractiveness of higher levels of effort declines with age" (Kanfer & Ackerman, 2004, p. 453) due to changes in the expected utility of higher levels of effort and desired resource allocations. In considering the issue of work motivation and older workers, however, organizations need to be aware of the Age Discrimination in Employment Act (ADEA), which prohibits discrimination against older workers, including use of age-based

stereotypes concerning performance, abilities, or work motivation. For example, it would likely be a violation of the ADEA for an organization to proceed upon an assumption that older employees are losing motivation or ability with age. That is not to say that an employer cannot make adverse decisions about an employee based on diminished motivation, effort, or ability related to age, but rather that the assessment must be an individualized one based on the actual diminishment, not a presumption of diminishment, based on advanced age.

Expatriates are a group of employees who hold particular management challenges. Research has found high failure rates for U.S. employees on international assignments (e.g., Black, 1988). This suggests that it is important for organizations to be able to identify factors and policies that will enhance the prospects for successful expatriate postings. For example, high levels of job knowledge and work motivation are one set of factors that has been found to predict expatriate success (Arthur & Bennett, 1995). Employees on expatriate postings are likely to have different needs than other employees, requiring different policies to maintain their motivation. In particular, the psychological contract for expatriates is likely to be based on an expectation of broader support and assistance from the employer in dealing with the non-home-country work location, which may in turn lead to greater loss of work motivation if this contract is violated through lack of support from the organization (Lewis, 1997).

Temporary and part-time workers are groups that may have lower levels of work motivation than other employees due to their reduced attachment to the organization. Status as a temporary employee can lead workers to feel less valued by the organization (Chattopadhyay & George, 2001). Related, Van Dyne and Ang (1998) showed that compared to regular employees, contingent workers have fewer beliefs regarding reciprocal exchange with a firm. Feelings of being disadvantaged in terms of job security and rewards, which is associated with contingent work (Beard & Edwards, 1995), has been shown to relate to reduced commitment to managerial goals, effort, and cooperation (O'Reilly & Chatman, 1986). A study involving survey and qualitative data revealed that temporary workers often feel they are treated impersonally, like an outsider, and that employers often fail to provide an accurate picture of the job (Feldman, Doerpinghaus, & Turnley, 1994). The same may hold for part-time work, as prior research shows part-time workers report organizational and interpersonal

exclusion, often indicating they are made to feel like second- class citizens (e.g., Barker, 1995). There is also evidence that workplaces with higher percentages of part-time and temporary workers also exhibit higher quit rates (Batt et al., 2002).

Policies versus Practices

HR policies represent the firm or business unit's stated intention about the kinds of HR programs, processes, and techniques that should be carried out in the organization. HR practices consist of the actual programs, processes, and techniques that get operationalized in the unit (Gerhart, Wright, & McMahan, 2000a; Huselid & Becker, 2000). Zohar (2000) made a similar distinction in his discussion of organizational climate. From a multilevel perspective, policies (and procedures) are established at the organizational level, whereas the execution of these policies into practices occurs at the lower subunit level by supervisors. The above discussion of work practices linked to employee motivation makes no distinction between what was intended by the organization and what was implemented. Yet to the extent that intended policies are not implemented in practice, there is presumably a disconnect between the aims of organizational leaders and anticipated outcomes and the experiences of employees and realized outcomes. Gratton and Truss (2003) discussed this disconnect as a weak translation of HR policies into action, arguing that translating policies into action is "absolutely fundamental to whether an organization is delivering in the area of people management" (p. 76). Of course, it is only the enacted policies that direct an employee's motivation. This has important implications for the design of future research studies, as discussed below (e.g., assess enacted practices rather than stated policies), but more generally, the distinction between intended policies and implemented practices is important to accurately understanding how employee motivation is influenced by organizational factors.

A key issue here is the role of the immediate supervisor in implementing organization-level policies to subordinates. The potential motivational effect of reward systems, socialization tactics, involvement initiatives, and the like on employees is dependent in large part on whether the said policy is translated into action by line managers/direct supervisors. Consistent with this, Gratton and Truss (2003) argued that managers may not put a work policy into

practice (e.g., neglect to provide employees performance feedback every year) and may indicate through their behaviors and attitudes a lack of support for an intended policy (e.g., make negative statements regarding diversity initiatives). Such policies thus become "mere rhetoric" (Gratton & Truss, 2003, p. 79).

Though a manager may make a decision to not enact an organizational policy, there is also evidence that line managers may often be unaware of the policy. For example, a series of studies (Gerhart, Wright, McMahan, & Snell, 2000b; Gerhart et al., 2000a; Wright et al., 2001) have shown that respondent measures of human resource practices contain large amounts of measurement error leading to low interrater reliability. It seems that respondents are often uninformed as to the nature of work practices, due in part to the size of the organization and the obvious variation in practices across the firm (Gerhart et al., 2000a). Though these studies focused on the research challenges of reliably measuring HR practices and firm performance outcomes, the findings more generally suggest variance in knowledge or understanding of work practices. Lack of awareness or misunderstanding among line managers is particularly not surprising when we consider the number of HR-related initiatives developed or revamped within any one year in an organization.

What are the likely effects on employee motivation where there is disconnect between stated policies and enacted practices? First, such inconsistency in what the organization espouses and what is actually experienced by employees may have an adverse affect on motivational determinants such as work attitudes and perceptions of fairness. For example, employees are likely to react negatively when there are policies regarding internal promotion, employee involvement, or career development, yet these are not practiced consistently across the organization. Further, when existing policies are "mere rhetoric" (Gratton & Truss, 2003), an attempt to implement a new policy is likely to be met with cynicism and is unlikely to receive the necessary support and cooperation from employees. Finally, as discussed above, it is not the policy that directs employee effort and goal choice, but rather the practice as experienced. Thus, behaviors the organization intends to encourage may not necessarily be what it gets (Kerr, 1975).

In sum, what employees experience and ultimately the effect on their motivation depend on the enactment of work policies into practice. Whether this occurs typically resides with line managers. Important practical implications of this for an organization include ensuring line manager as well as top management support of work policies, involving line managers in policy development and enactment, making and implementing action plans, and evaluating and rewarding managers for effective utilization of policies. Yet from a motivational standpoint, it is ultimately what an employee experiences that drives behavior, and employees may perceive and interpret practices differently than intended and enacted by the supervisor. The discussion of work climate above is relevant here, as climate involves the perception among employees of organizational policies, practices, and procedures (Reichers & Schneider, 1990; Rentsch, 1990). It is this perception and interpretation that will ultimately direct employee behavior. Of course, the issue of what employees actually experience and, more generally, how organizational factors affect their motivation becomes more complex when we consider the multitude of work practices acting upon (or not) employees. Individual work practices are not experienced in isolation but rather as part of a larger system, working in concert (or not) to influence work motivation. This specific issue is examined next.

Systems Perspective

Above we highlighted an array, though not necessarily an exhaustive list, of organizational factors relevant to employee motivation. Yet within an organizational context, it is the collection of these practices that affect individuals. Some researchers have specifically discussed how the motivation of the workforce can be enhanced through multiple practices— for example, incentive compensation and more enriching job design (e.g., Gupta & Shaw, 1998). A systems perspective is a major component of the strategic HRM (SHRM) research, and thus SHRM research and theory will be drawn upon heavily in the following discussion to examine this issue.

A key debate in the SHRM literature has emerged between researchers taking universalistic versus contingent perspectives on how to structure HRM practices to support a

firm's strategic success. The general argument from the universalistic perspective is that there is a set of HRM best practices that help organizations execute their business strategies and thereby enhance firm performance. Although variation exists in the best practices models that have been put forward, approaches often referred to as "high performance," "high involvement," or "high commitment" work systems involve common features of practices directed at achieving high levels of employee skill, empowerment, and motivation (e.g., Becker & Huselid, 1998; Delery & Doty, 1996; MacDuffie, 1995). By contrast, the general argument from the contingent perspective is that organizations design HRM systems in congruence with the demands of a particular business strategy. This contingency perspective has led to the assertion that different HRM practices are more/less appropriate depending on an organization's strategic positioning. For example, research has argued that a differentiation versus a low-cost business strategy requires a different HRM strategy (commitment- vs. control-based, respectively) and corresponding set of practices (e.g. Arthur, 1992).

Relatedly, research and theory in this area has distinguished between internal and external alignment (or fit). Briefly, internal fit involves fit among HR practices, whereas external alignment reflects the fit between HR strategy and business strategy. Both internal and external fit suggest contingency in that synergies are produced when practices are consistent with one another (internal fit) and the organization's business strategy (external fit). However, the argument for one set of best practices (namely, high-performance work systems (HPWSs)) is focused on internal fit in that all practices in such a system are aimed at fostering employee skill, involvement, and motivation.

A series of studies have explored the moderating role of firm strategy to the HRM-firm performance link, thus testing the notion of external fit or contingency (cf. Arthur, 1994; Delery & Doty, 1996; Huselid, 1995). Interestingly, this research has generally found stronger support for a universalistic approach, in that firms with a high investment in human resources, and more specifically high-performance work systems, have higher performance outcomes regardless of business strategy. For example, in his seminal research in this area, Huselid (1995) found fairly consistent support for the positive effect of HPWSs (e.g., formal job analyses,

incentive plans, formal grievance procedures) on employee retention and productivity, yet failed to find support for fit enhancing firm performance.

Conceptually, the lack of support for the contingency approach may not be surprising. The contingency argument between HRM practices and firm strategy in relation to firm outcomes suggests that certain HRM practices "go with" a particular organizational strategy or business condition and do not go with others. While this may make sense when one considers explicitly the goals of a particular HRM strategy linked to requisite employee attitudes and behaviors (e.g., practices aimed at job security and long-term orientation support the risk taking and tolerance for failure required of an innovation strategy), it is at best a tenuous argument that general practices such as valid selection tests, rewarding high performance, and providing performance feedback are only appropriate under certain conditions (e.g., firms following a product differentiation strategy). In effect, the fit between HRM practices and organizational strategy has been operationalized (e.g., Huselid, 1995) such that firms following a cost leadership strategy are expected to reap performance gains by not utilizing incentive pay, performance appraisals, employee involvement, and the like. Yet a plethora of research supports the effectiveness, and specifically the motivational effects, of such practices. Thus, while the contingency perspective may make sense in that different strategies require different employee behaviors, it is not as clear why this requires entirely different HRM practices.

Yet finding universalistic support for HPWS does not mean one size fits all. On the contrary, organizations realize strategic success through employee contributions to the organization's strategic approach. Maximizing the employee contribution within a firm is contingent on aligning employee actions and firm strategy, but a common set of HRM practices found in HPWSs can allow a range of different organizations to achieve this action alignment. The key is for such practices to be internally consistent in motivating employee behavior, that is, directing employees to contribute to the organization's strategic imperatives. Delery and Shaw (2001) discussed this as "synergy of the system" or individual practices "aligned in such a way that they support and enhance the effectiveness of each other" (p. 175). As an example, an organization focused on cost leadership in its industry would reward employees for cost reduction efforts and efficiency perhaps through a gain-sharing plan, encouraging suggestions

for cost improvements through employee participation programs, and reinforcing this strategic imperative to new employees during on-boarding and socialization. In contrast, the competing motivational drivers of combining team-based work structure with individual- based incentives would likely result in poorer effects than if either was used alone. Such a situation has been referred to as a deadly combination (Becker, Huselid, Pickus, & Spratt, 1997), again recognizing that it is the combination of practices that affect workforce characteristics such as employee motivation.

The recognition that HR practices work in combination to produce positive synergy or deadly combinations is a key contribution of the SHRM perspective. From an organizational standpoint, this suggests understanding the array of individual work practices as a system (rather than as individual silos) that directs employee behavior. This may help to explain arguments supporting a generalist perspective in managing human resources, so that individuals have broad and cross-functional knowledge of how all the parts of the system fit (or do not fit) together (e.g., Lawler, 2005; Mohrman & Lawler, 1997). Beyond assessing how practices may combine to influence individuals is how to improve alignment among such practices. One practical implication is that the adoption of a new workplace practice (e.g., implementation of a gain-sharing plan, move to team-based work design) is likely to have implications for other practices. This issue has been offered as a reason benchmarking may not succeed; a piecemeal approach to implementing a best practice from another organization fails to incorporate the confluence of HR practices (Ulrich, 1997).

Interestingly, HPWSs may have their largest effect on employee and ultimately firm performance indirectly through enhancing workforce motivation. This is perhaps not surprising given that many of the practices discussed above as important drivers of employee motivation (e.g., incentive systems, employee involvement, formal performance management) tend to be included in conceptualizations of HPWSs. In Delery and Shaw's (2001) proposed model linking HRM practices to workforce characteristics and firm performance, they argued that all elements of an HRM system (staffing, training, appraisal, compensation, job design) influence employee productivity and ultimately firm performance in part through enhancing employee motivation. Though employee skill and empowerment/opportunity likewise are important to

employee productivity and firm performance, these characteristics are seen as influenced by a more limited set of HRM practices. In effect, employee motivation plays a key role linking HRM systems to organizational outcomes.

Future Research Directions and Challenges

We see future research directions as falling under one general theme: broadening the scope of motivation research to fully capture the complex nature of how individual motivation is influenced in the larger organizational context and the contemporary work context. The specific research areas and the challenges researchers face in examining these areas are discussed next.

Cross-Level and Systems Research

This chapter began with the contention that though motivation is typically thought of as a within-person phenomenon, work gets done within the context of the organization and as such employee motivation can be more fully understood by examining organizational influences. Indeed, as discussed in this chapter, organizational factors play an important role in motivating behavior. Though bridging the micro-macro divide has been widely acknowledged as an important general research need (cf. Wright & Boswell, 2002), this is especially true when it comes to investigating employee motivation. It is through crossing levels of analysis (individual, group, organizational practices and systems) that we will gain a richer understanding of motivating behavior in the workplace.

Unfortunately, one of the major macro-micro distinctions seems to be that the research tends to be mutually exclusive in that a study focuses on either the individual or the organizational level of analysis (Ostroff & Bowen, 2000; Wright & Boswell, 2002). Indeed, much of the research reviewed in this chapter has examined the influence of organizational practices or characteristics on work motivation by examining the impact of a single practice (e.g., reward) on an individual. Wright and Boswell (2002) referred to this approach as "single practice research at the individual level." Alternatively, research investigating multiple practices or a system tends to examine aggregated measures of work outcomes (e.g., firm performance,

productivity) rather than the influence on the individual employee, thus reflecting "multiple practice research at the organizational level" (Wright & Boswell, 2002). Bridging levels of analysis to examine how organizational systems influence individual motivation is an obvious research need. This is particularly important given the argument that individuals are not affected by single work practices, but rather systems of compatible and at times incompatible factors.

In the recent past, practical considerations in regards to data access (e.g., many individuals within one organization, one or a small number of respondents across multiple organizations) and limited statistical techniques have played a large role in researchers not conducting multilevel research. Yet this issue has been mitigated at least in part due to developments in data access (e.g., through consulting firms and available databases as well as growing interest among firms in these research questions) and greater expertise and use of more complex statistical techniques such as repeated measures regression (Cohen & Cohen, 1983; Hollenbeck, Ilgen, & Sego, 1994; Klein & Koslowski, 2000) and hierarchical linear modeling (Hofmann, 1997). As more multilevel data sources are available and researchers become better versed in multilevel statistical techniques, we would expect (and hope for) greater research attention given to the role of organizational-level factors in motivating individuals and research approaches aimed at crossing levels of analysis.

What would such research involve? We propose that within-industry studies, perhaps at the establishment level (i.e., the individual workplace, rather than firm), are likely to be most fruitful. Within-industry studies help control for extraneous factors and thus compare apples to apples, while focusing on the establishment-level controls for possible variance in practices within a firm. Such an approach would allow researchers to more accurately assess actual practices, and thus what employees actually experience.

Yet beyond the empirical research agenda, we see a need for more conceptual models tying together individual- and organizational-level theories and research. The SHRM literature may be particularly helpful in offering insights as to how organizational factors come together to influence employee motivation. For example, HRM practices have been conceptualized in terms of substitutes, complements (or synergistic), and configurations (Delery, 1998). Briefly,

substitutability would be where the same level (or direction) of employee motivation can be derived from different individual practices or workplace characteristics (Ichniowski et al., 1996). When practices are substitutable, adding of one when another is already in use would be redundant, and thus there would be no additional effect (Delery, 1998; Delery & Shaw, 2001). Complementary practices reinforce one another, such that the effect of one on motivation is greater in the presence of the other. Complementarities may be positively synergistic, working together to enhance the motivation of the workforce, or they may be negative, acting against (or undermining) one another (Delery, 1998). The latter was discussed above in terms of deadly combinations (Becker et al., 1997). Finally, in configurations, it is the pattern of practices and workplace characteristics that influence employee motivation. A configurational approach would argue for a prototypical system of practices (Delery & Doty, 1996). Acknowledging these different interactive forms among practices and workplace characteristics, a conceptual model of how organizational-level factors act upon employee motivation could be developed and examined.

Consistent with the configurational approach noted above, motivation could be examined in the context of control-based versus constitutive work systems. In control-based systems, the organization develops systems of HRM practices oriented toward directing and controlling HRM practices oriented toward developing employee talents and abilities, and then allowing employees the opportunity to use them. Frequent evaluation of employee performance and regularly awarding incentive compensation based on achievement of specific individual performance goals may be an effective approach to motivation in a control-based system. In a constitutive system, a more effective approach to motivation may involve more extensive training, greater employment security, and an emphasis on employee involvement in decision making.

Distinguishing Between Practices and Policies

As discussed above, policies represent the firm or business unit's stated intention about what should be carried out in the organization, while practices consist of what actually gets

operationalized in the unit (Gerhart et al., 2000a; Huselid & Becker, 2000; Zohar, 2000). Recognizing this distinction has a number of important implications for future research.

First, and perhaps most obviously, researchers need to assess the actual practices rather than the stated policies (Huselid & Becker, 2000; Wright & Boswell, 2002). Because employees are influenced by what they actually experience, any research attempting to understand the effect of work practices on employee motivation must examine implemented practices. Operationally, this suggests that the typical approach in the macro/SHRM research of asking senior HR executives to indicate a firm's practices has less validity than asking employees directly what they perceive and experience. It is by understanding employees' experiences that researchers can more accurately assess the role of organizational practices and systems in motivating behavior and performance.

Relatedly, this distinction implies a need for greater specificity in measuring practices. Ostroff (2000) noted that much macro HRM ignores these technically specific distinctions in favor of more broadly stated practice items such as "Extent to which validated selection tests are used to select employees," "What percentage of employees undergo formal performance appraisals?" and "How many hours of training, on average, do employees receive each year?" This lack of specificity may explain in part the failure to find support for external fit in SHRM research (i.e., fit between HR systems and business strategy). As researchers get more specific in terms of the nature of the practices necessitated by a particular business strategy (both in conceptualizing and in measuring), we may begin to see stronger support for a contingency perspective. In regards to employee motivation specifically, greater specificity in conceptualizing and measuring what employees experience (i.e., the practices) will be key to understanding what affects motivation and how.

Of course, the distinction between policies and practices elicits the basic issue of why what was intended does not get operationalized. For example, do line managers consciously choose to not implement an intended policy because they are unsupportive, are there constraints on them doing so, and are they unaware of the policy in the first place? Supervisors have some degree of discretion in policy implementation, potentially resulting in differences among subunits in enacted practices and what employees ultimately experience (Zohar, 2000).

Though this is an issue for work policies beyond those specifically related to employee motivation, additional research is needed to understand why there often exists a gap between what was formulated and what is implemented and experienced (Wright & Boswell, 2002; Wright & Snell, 1998). Indeed, employee motivation may be differentially affected in situations where a policy is in place but not practiced. For example, if a policy states employees are to be provided performance assessment and development feedback quarterly but a supervisor does so only on an annual basis and offers little developmental guidance, the supervisor's employees may perceive the policy as rhetoric and become cynical and perhaps less motivated than if there existed no such policy around performance management in the first place.

Conceptualizing Employee Behavior/Performance

We noted at the onset of this chapter the importance of employee behavior focused specifically on helping the organization attain its strategic objectives. The dynamic business environment compelling organizational agility (Dyer & Shafer, 1999) and job roles that are broadly defined (Ilgen & Flollenbeck, 1991; Welbourne, Johnson, & Erez, 1998) or even boundaryless (Ashkenas, Ulrich, Jick, & Kerr, 1995) gives rise to the importance of strategic aligned workplace behaviors. In other words, there is a growing recognition within firms that employees need to contribute as needed and in varying capacities to the attainment of the firm's goals (Boswell, 2006; Colvin & Boswell, 2005; Lawler, 1994). As we continue to examine employee motivation, and in particular how organizational practices and systems foster motivation, it is important to be mindful of the type of employee behavior we aim to motivate, and that this behavior may look quite different from conceptualizations of the recent past.

Interestingly, it is unclear as to whether behavior congruent with the organization's strategic goals would be captured in an organization's performance measurement system. This may present a challenge to researchers that hope to rely on personnel records to assess performance outcomes. Yet as organizations incorporate "strategically aligned" behaviors into their performance measurement systems, or researchers develop innovative approaches to assessing such behaviors (see Boswell, 2006, for an example), we will gain a better

understanding of the determinants and constraints of employees directing their efforts toward the larger organizational goals.

A related problem arises in regard to the object of motivation if an organization is seeking to obtain strategically aligned behaviors. Complex organizations are likely to have both overall strategic goals and specific strategic objectives for subunits of the organization. For example, an organization might have units that operate in new, growing business areas, and other units that operate in established or declining business areas. Whereas it may be relatively easy to motivate employees in expanding business units, it may be much harder to maintain motivation in declining business areas. Indeed, there may be conflicts for employees between attitudes toward and identification with the objectives of the overall organization and those for their subunit, which may appear to be contradictory, resulting in diminished motivation. For researchers, an important challenge is to be able to understand and incorporate into their analysis the complex nature of organizations and the potentially divided or contradictory motivations toward different elements of the organization and their various strategic goals.

Motivation and the Current Employment Context

Changes in the employee-employer relationship and how work gets done suggests that research findings of the past may not necessarily generalize to the workplace of today and the future. Accordingly, we see a need to test theories of motivation in the context of the new employment relationship, changing nature of work, and diversity in workplace demographics and values. Related to this, consideration of the current employment context offers insights to future research questions. For example, is incentive compensation, as suggested by agency theory, enough to motivate employees to be aligned with the organization in a New Deal type employment relationship focused on a nonpermanent relationship and employability, not employment security? Or, are intrinsic factors, and specifically value alignment, likely to play a larger role? Further, in a more diverse workforce, varying in terms of expectations, values, and demographics, is there greater variation in intrinsic motivation? Can and how do managers accommodate differences in employee needs and preferences, perhaps through framing psychological contracts and establishing i-deals? Are there effects on motivation from

interactions among employees who may be subject to differing i-deals, yet perform similar work in the same workplace? It is unlikely that the development of the New Deal type employment relationship has repealed the process of equity-based and other referent comparisons in the workplace.

In sum, recent research has contributed much to our understanding of how organizational-level factors influence individual-level phenomena such as employee motivation. Yet additional work is needed to more fully understand the complex nature of these relationships. Addressing the specific issues discussed in this chapter will be challenging, but holds the potential to contribute important insight to our understanding of motivating behavior and ultimately organizational effectiveness.

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