UNIT 4

SUSTAINING EMPLOYEE INTEREST

COMPENSATION PLAN

A compensation plan is a formal document that outlines the components of an employee's pay structure. Effective compensation plans help attract top talent, boost employee morale and productivity, and promote a healthy company culture. Key steps for designing effective compensation plans include:

Set up or re-visit the company's remuneration philosophy.

Perform an industry/market study.

Realign planning with business objectives.

Designate a compensation manager.

Set up pay ranges and pay grades.

Create seniority grades within each job description.

Manage the compensation allocation budget.

Track planning execution and make adjustments

Following are the features of a good compensation plan:

1. It is consistent with the position held by a salesperson and the job description laid down for such a position.

2. It decides the right salary and other benefits befitting the position and is at least in conformity with the prevalent salary structure for such a position in the industry.

3. It acts as a catalyst to improve the productivity of the organization.

4. Money is a great motivator. It acts in this direction. It provides satisfaction and security to the sales force.

5. It helps to improve the financial health of the employees, organization, and the society at large.

6. It does not distract the team spirit and the group cohesion within the sales force.

7. It helps to generate a hearty and a cordial relation between the salespeople and the sales managers.

8. It is simple and very easy for the salespeople to understand. The sales managers find no difficulty to apprise them on the plan.

9. It is flexible so that future changes in the compensation structure can easily be accommodated.

10. One of its components (particularly variable part such as – commissions, bonuses, etc.,) has a direct relationship with the sales force performance.

11. It helps to retain the existing sales force particularly those who perform satisfactorily for the firm. Alternatively, it keeps the competing firms away to pull out the efficient salespeople.

12. It is in sync with the sales and profit objectives of the firm.

13. It is acceptable to both the salespeople and the employers.

14. It generates a positive correlation between compensation and motivation, and motivation and performance.

15. It provides salespeople with a direction for individual goal-fulfilment.

16. It enhances the job involvement and the commitment to the job.

17. It increases the sense of belongingness of the salespeople to the company

18. It acts within the contours of the strategic marketing plans of the company.

Compensation Plan – Factors Influencing: Internal and External Factors

Compensation level is influenced by a host of factors. Some factors are internal in nature and others are external. Internal factors are company-specific that relate to the company's resources, abilities, policies, etc. External factors are those that operate outside the organization, i.e., the external environment that have an effect on the compensation plans.

1. Internal Factors:

The internal factors are discussed in brief as follows:

i. Financial Ability:

A firm's liquidity position, returns on investment, financial outlay, etc., indicate the long-term financial capacity of a firm. A company's financial strength should be such that even in uncertain situations, it can adhere to the compensation policies and pay uniformly to all its employees.

ii. Compensation Policies:

A company's compensation policies are determined by the number of employees working, number of permanent employees, number of casual staff, etc. Moreover, whatever policies the company follow (say, only salary schemes or performance-based incentive schemes) should have a relation-ship with the total remuneration volumes of the company.

iii. Recruitment and Selection Policy:

This influences the number of people that are on the payroll. The compensation policies should take into account the number of new employees inducted and the number of employees that are retired or have left.

iv. Promotional Policy:

Compensation plans should be consistent with various managerial or non-managerial ranks and promotion from one rank to the next should be coupled with reasonable rise in salaries and other benefits.

v. Job Descriptions:

The volume of job (sales volume), its importance, and charac-teristics are related to the compensation level assigned to a job position.

vi. Job Evaluation:

The worth of the job in terms of contributions in financial terms to an organization is related to the compensation level. For example, the con-tribution of a salesperson in selling a high unit value item such as – a turbine or furnace to the firm is immense and therefore, the concerned employee needs to be suitably compensated.

vii. An Employer's Designation and Position:

An executive or managerial position definitely deserves higher pay level. Secondly, a senior in position demands a higher remuneration package than that of the junior employee.

viii. An Employee's Relative Contribution:

Here, merit of the employee is a decisive factor in finalizing his pay package. A high performing salesperson in a rank can deserve special attention in terms of incentives or rewards.

2. External Factors:

The external factors including a compensation plan are discussed as follows:

i. Prevailing Compensation Policies in the Industry:

Every industry has a trend to offer compensation to its salespeople and it is safe for a firm to follow the indus-try trend. This is especially true for medium and small companies with limited financial strength. But efficient salespeople, once they prove their worthiness, can bargain for better salaries or commissions. There is no difficulty in putting them on premium compensation packages in large companies.

ii. Legal Conditions:

As companies operate within the legal frame of governments, they need to strictly observe the legal policies and regulations of the governments. The government has legal stipulations on the minimum wages act or provisions for fringe benefits. But, many companies often violate these norms and engage salespeople on a meagre pay package and exploit them.

iii. Economic Conditions:

These are important pay level determinants. It is a custom-ary practice in the industry circuit that with the rise in inflationary conditions, the companies escalate the level of the dearness allowance so that the employees can cope up with the rising price level. Similarly, under recessionary condition, the company itself remains in a depressed condition and percolate down the same to the employees. Therefore, employees are forced to remain with their existing pay package for a long time unless the gloom is over. Sometimes, one can see a reduction in the compensation as well and this is not an uncommon practice.

iv. Market Competition:

It is a great trigger to manage employees tactically on the compensation packages. Under highly competitive situations, the companies deploy strategies to sustain or survive in the chaotic situation and here, skilled employees become valued resources of the organization. The company wants to retain them desperately by giving them attractive pay levels to prevent sudden attritions. The efficient employees also can play their cards to compel reluctant companies to augment their pay levels.

v. Trade Unions:

It often plays a mediating role in the company's decision to fix up different pay levels for employees along various positions. This is true in public sectors and large private sector firms. In small- or medium-sized firms, trade unions are generally non-existent and employees are forced to swallow the salary or wage levels as determined by the company.

vi. Global Considerations:

These are important when the company establishes any subsidiary units in foreign nations or send their employees abroad to work on international projects or businesses. It is essential, therefore, for the company to understand the cost of living, tax structure, social or cultural norms, etc., of a nation that has strong relationships with compensation levels.

Ingram et al. (2007) noted that individualism is a prized practice than collectiv-ism in work operations in the industry of some nations. Some other nations believe working in a team. So, the compensation for salespeople working as a team (e.g., salespeople engaged in team selling) is expected to be different

than individual employees who are solely entrusted to perform a piece of job. Unites States is a follower of individualism whereas; Japan is a strong votary of collectivism.

vii. Criteria for Sound Compensation Scheme:

A compensation scheme needs to follow some basic criteria or requirements. These are important for both the organization and salespeople for peaceful coex-istence under one roof. It should serve the interests of both the parties equitably.

Compensation of sales force is a vital aspect of sales force management. It not only meets the basic needs of salespeople but also fulfils social and esteem needs, according to Maslow's need hierarchy.

Compensation Plan – 6 Major Steps in Designing a Compensation Plan

A sales manager needs to design a compensation plan for the organization. There is a scientific method of designing the sales force compensation plan, which every sales manager should follow in organizations. The sales manager should take into account the various factors influencing employee motivation and the purpose of compensation. We will now discuss the various steps followed in designing an equitable, justified, and strategic sales force compensation plan.

Step # 1. Determine Sales Force and Compensation Objectives:

The sales manager should identify the corporate objectives and also the objectives of the salespeople while developing a compensation plan.

The sales objectives can be attainment of the annual sales volume target and gross margins, attainment of monthly and specific period-wise sales targets, market penetration and exploitation of the territory potential at a specific rate, management of sales calls and development of potential in key accounts, development of new customers, and gaining support of the salespeople for the new product introduction.

By evaluating the relative importance of these broad objectives, the sales manager will be able to finalize the level and type of compensation plan to offer to the sales force.

Step # 2. Determine Major Compensation Issues:

Once the sales manager is able to finalize the compensation objectives, he needs to compare his available payment structure with that of the industry and major competitors. In the case of a new compensation plan, the industry average and the competitors' compensation plans serve as the benchmark for designing the compensation plan.

The major components of salary are decided by taking into account the wage level, the wage structure, the salesperson's wage, and the salary administration procedure.

The wage level of compensation talks about the salary in relation to the competitors' sales force compensation. If the organization's salary level is lower than that of the competitors, the salespeople will always wish to join the competitor, and the competitor will in turn allure them to work with them, which may lead to loss of manpower for the firm. Salaries for various sales-people should be established by doing a comparative analysis of the salary level in the industry.

The wage structure is the explanation of the pay differential inside the organization at different levels. The evaluation of the job and description indicates the extent to which the job contributes to the success of the enterprise. Depending on this evaluation, salary structures are planned at various levels in the organization.

The individual wage is the salary paid to the individual salesperson depending on his work experience, nature of the job, and personal background. His abilities related to job descriptions are evaluated while deciding on the compensation structure.

The administrative issues related to compensation management include the sales force evalu-ation and control mechanism, mechanism for modified compensation, and pay revisions and raises which should be meaningful enough for the salespeople to stay longer with the sales organization. The sales manager prepares the budget for compensation of the salespeople, consi-dering the ability and intention of the organization to compensate the sales force in the form of wages, commissions, perks, bonus, and incentives.

Step # 3. Implement Long-Term and Short-Term Compensation Plans:

The sales manager should take both long-term and short-term views of the sales compensation plan. While in the short term, it should address the issues of adequate compensation and low cost drive for the firm, in the long-term, it should reduce the attrition rate and develop employees to take up higher challenges including managerial responsibilities.

Long-term planning includes promotions, retirement plans, disability benefits, and life insurance for the salespeople. The compensation plans should have a long-term vision and lasting value for the organization. Short-term issues related to the compensation plan include bonus, expenses management, and sales contests. This should be coordinated with the total marketing efforts of the organization and in sync with the long-term compensation plan.

The sales manager should communicate the compensation plan to the sales staff inside the organization through inter-office memos, email, newsletters, and all other means, and explain the advantages and mutual benefits of the sales compensation plan. Many salespeople ask the company at the time of joining about the nature and type of compensation they are likely to receive for the job.

The sales compensation plan should be designed and communicated in such a way that it increases the clarity and comprehensiveness of the salespeople in the organization. The sales supervisor is the key link in the chain of communication to the salesperson. Since salespeople normally work in the field, it is important to brief the sales supervisors about the compensation plan so that they can handle the salespeople's queries.

The compensation message should include the part of the salespeople's job that will help the organization in attaining its goals. The sales supervisor should also brief them about the role of the salespeople in achieving the sales objectives.

The sales supervisor should make the salespeople realize that their compensation will largely depend on their ability and intention to contribute to the organization's goals. If the salespeople commit themselves to the organization and their performance improves, so also will be the sales of the organization and hence the level of compensation for the salespeople.

Step # 4. Relate Rewards to Performance:

In a scientifically designed compensation plan and the plan-related communication strategy, the rewards are always related to the sales performance. This is an important stage in the compen-sation process, where each stage of performance and reward system should be linked with the contribution of individual salespersons towards the organization.

It also links the performance of the salesperson to the rewards through an objective and logical method of performance evaluation.

Step # 5. Measurement of Performance:

Like the compensation plan, the method of evaluations should also be objective and transparent. Sales organizations need to measure the performance of the salespeople periodically. The criteria for evaluation should include the new sales volume achieved in the last period, the level of customer satisfaction, and the level of information dissemination about the performance of the company and its product in the market.

Step # 6. Appraise the Compensation Plan:

It is necessary to look at the redundancy effect of the compensation plan. This should be done on a periodic basis so that the sales manager can find out the relevance of the company's com-pensation plan in the face of competition and evolutions in the sales management function.

The success of the plan can be evaluated by looking into the achievement of compensation objectives, ability of the firm in attracting new salespeople with- the current compensation plan, and finding out the relationship of the compensation plan with the attrition rate in the organization. The compensation

plan should be updated continuously to respond to new sales force objectives. There should be a continuous attempt to link the available compensation methods with the desired performance of the salespeople.

Compensation Plan – Trends in Compensation Management

Various trends are emerging in compensation management. As new organizations are emerging, so also are new methods of compensation. Here is an attempt to find out the emerging trends in the sales force compensation methods and its implications for modern-day sales management. We can classify the emerging trends in compensation into four broad categories. The most important trend has been the compensation plan based on the idea of customer satisfaction.

Today, the sales force is not compensated only on the basis of sales volume. The level of customer satisfaction is an important tool of evaluating and rewarding the salespeople. A company like Xerox is the pioneer in designing a compensation plan based on customer satisfaction. It follows a compensation plan based on customer satisfaction defined by the customer itself. This serves as a challenge for the salespeople to achieve the customer-defined satisfaction level.

Another emerging trend is team-based compensation. Though the idea has a Japanese origin, it has found acceptance all over the world. Majority of the B2B selling is done through the team selling strategy and cross-functional teams are designed for handling customer objections in a better way. Clients are also going international in their business operations, and hence customer management is done by more than a single contact point or salesperson.

More and more key account and national account managers are coordinating with the local salespeople to close a sale at multiple points. Many customers are now operating across the territories and geographical boundaries. The organizations need to address their demands and problems at multiple points and in multi-location situations. Hence, it is important to have sales teams.

The performance of the individual salesperson is now linked to the performance of the salespeople in other territories catering to the same set of customers. So companies are replacing the standard straight salary- based or commission-based compensation with team-based compensation, which links the pay of the salespeople with the performance of the customer service personnel, delivery people, and managers heading and supervising the teams.

The technological advances have changed the horizon of customer handling by the salespeople. In the past, the salespeople had to visit every customer to fulfil the information requirement of the customer. Today, email management systems, broadband technology, videoconferencing, and other Web-based

technologies enable the salespeople to respond to the customer's increasing and evolving information need easily and faster.

The customers are also happy with the non- personal form of communication with the salespeople as it leads to lower cost of service and lesser interference by the salespeople at the customer's place. The e-commerce application has made the communication between the buyer and the seller more interactive and less interfering in nature.

This has made the sales job more target-oriented, as salespeople now can concentrate more on real sales activities than on feeding existing customers with relevant market information, and thus, it has led to an increase in their compensation level due to higher sales realization.

Customers are now spread across the globe and the salespeople serve them by innovative technology and operating across different boundaries and time limits. This has brought the issue of global compensation management systems. Previously the general im-pression was that third world countries are poor in customer care and quality product deliveries, but more and more companies from the West are changing their perception.

Today, majority of customer care and sales service jobs are outsourced to third world countries due to availability of cheap labour and quality of service output. It is a challenge for management to compensate the global sales force working in different countries in different cost zones through an equitable and flexible compensation plan.

Similarly, the challenge is to compensate the sales force with people from various countries but working in the same workplace. While an Indian salary may not be suitable for the European executives in India, the salary paid to an Indian working in the US at the Indian rate may not be adequate for him/her. Therefore, it is also necessary to equate the salary levels of people working in different countries or economy zones.

Compensation plans should be perceived as equitable across the organization. It is observed that the salary structure is low at the base level where the real sales happens and goes higher as one moves farther from the customers to the upper hierarchy levels of the organization. This is a growing trend, which may hamper the growth of many organizations.

It is important to project the sales compensation as equitable for all levels in the sales organization. In many sales, organizations the standard Indian compensation is not equitable from various points of view, including gender inequality.

Male and female employees are paid differently in many com-panies although they are doing a similar kind of job. The management should beware of such discrepancies and try to eliminate them for an effective and equitable compensation plan.

What is Reward?

Reward is an incentive plan to reinforce the desirable behavior of workers or employers and in return for their service to the organization. Rewards can be monetary in the form of salary or non monetary in the form of awards for some special services to the company or simply giving an employee a work which he enjoys doing. The primary objective of organizations in giving rewards is to attract, maintain and retain efficient, high performing and motivated employees.

Importance of Rewards

There can be various types of rewards an organization can give its employees like money, grade, performance based incentive or performance pay, increment, gift cards, recognition or awards, profit sharing, holiday packages, medical coverage, promotion, bonuses etc.

They are given mainly to appreciate the performance of employees and to motivate them. This is because motivated workers lead to higher productivity and the organization as a whole prospers.

On the other hand if workers are unmotivated they can lead to the failure of the organization by disrupting and de-motivating other workers as well. Rewards are considered separate from salary but they may be monetary and have a cost to company. They are generally aligned to organizational goals, when an employee helps the organization to achieve any of its organizational goals he/she is rewarded.

Reward Management

Membership Based Rewards

Types of Rewards in HRM

Rewards can be of two types:

Intrinsic

They are incentives which satisfy an employee internally. Only money is not enough to motivate people and it is important to make people realize their contribution to the organization matters. That motivates employees internally.

Intrinsic incentives can be giving meaningful work to employees, giving autonomy to employees, allowing employees to take responsibility in areas of their expertise and provide developmental opportunities to employees

Extrinsic

They are mostly tangible incentives like pay, advancement, recognition, time off etc. Extrinsic rewards the ones which are more sought after by employees as it can improve the motivation and job satisfaction in the short term and addresses immediate issues.

Reward Examples

A company gives various rewards to its employees in their tenure. Good examples of rewards are Promotion, Raise in compensation, Monetary awards, Recognition of work done. Employees in modern organizations want reward as well as recognition for the work they do.

Work from home, flexible timings and option to chose work and responsibilities is also seen as rewards these days and motivates the employees.

Many companies these days have awards ceremonies for the top employees of the company. These awards are given for the contribution of the employee to the organization. The total reward consists of award, monetary benefit and the employee is identified as a future leader.

What Are the Types of Motivation?

The two main types of motivation are frequently described as being either extrinsic or intrinsic.

Extrinsic motivation arises from outside of the individual and often involves external rewards such as trophies, money, social recognition, or praise.

Intrinsic motivation is internal and arises from within the individual, such as doing a complicated crossword puzzle purely for the gratification of solving a problem.

Why Motivation Is Important

Motivation serves as a guiding force for all human behavior. So, understanding how motivation works and the factors that may impact it can be important for several reasons.

Understanding motivation can:

Increase your efficiency as you work toward your goals

Drive you to take action

Encourage you to engage in health-oriented behaviors

Help you avoid unhealthy or maladaptive behaviors, such as risk-taking and addiction

Help you feel more in control of your life

Improve your overall well-being and happiness

What Are the 3 Components of Motivation?

If you've ever had a goal (like wanting to lose 20 pounds or run a marathon), you probably already know that simply having the desire to accomplish these things is not enough. You must also be able to persist through obstacles and have the endurance to keep going in spite of difficulties faced.

These different elements or components are needed to get and stay motivated. Researchers have identified three major components of motivation: activation, persistence, and intensity.4

Activation is the decision to initiate a behavior. An example of activation would be enrolling in psychology courses in order to earn your degree.

Persistence is the continued effort toward a goal even though obstacles may exist. An example of persistence would be showing up for your psychology class even though you are tired from staying up late the night before.

Intensity is the concentration and vigor that goes into pursuing a goal.5 For example, one student might coast by without much effort (minimal intensity) while another student studies regularly, participates in classroom discussions, and takes advantage of research opportunities outside of class (greater intensity).

The degree of each of these components of motivation can impact whether you achieve your goal. Strong activation, for example, means that you are more likely to start pursuing a goal. Persistence and intensity will determine if you keep working toward that goal and how much effort you devote to reaching it.

Tips for Improving Your Motivation

All people experience fluctuations in their motivation and willpower. Sometimes you feel fired up and highly driven to reach your goals. Other times, you might feel listless or unsure of what you want or how to achieve it.

If you're feeling low on motivation, there are steps you can take to help increase your drive. Some things you can do to develop or improve your motivation include:

Adjust your goals to focus on things that really matter to you. Focusing on things that are highly important to you will help push you through your challenges more than goals based on things that are low in importance.

If you're tackling something that feels too big or too overwhelming, break it up into smaller, more manageable steps. Then, set your sights on achieving only the first step. Instead of trying to lose 50 pounds, for example, break this goal down into five-pound increments.

Improve your confidence. Research suggests that there is a connection between confidence and motivation.6 So, gaining more confidence in yourself and your skills can impact your ability to achieve your goals.

Remind yourself about what you've achieved in the past and where your strengths lie. This helps keep self-doubts from limiting your motivation.

If there are things you feel insecure about, try working on making improvements in those areas so you feel more skilled and capable.

What to Do When You Have No Motivation

Causes of Low Motivation

There are a few things you should watch for that might hurt or inhibit your motivation levels. These include:

All-or-nothing thinking: If you think that you must be absolutely perfect when trying to reach your goal or there is no point in trying, one small slip-up or relapse can zap your motivation to keep pushing forward.

Believing in quick fixes: It's easy to feel unmotivated if you can't reach your goal immediately but reaching goals often takes time.

Thinking that one size fits all: Just because an approach or method worked for someone else does not mean that it will work for you. If you don't feel motivated to pursue your goals, look for other things that will work better for you.

Motivation and Mental Health

Sometimes a persistent lack of motivation is tied to a mental health condition such as depression. Talk to your doctor if you are feeling symptoms of apathy and low mood that last longer than two weeks.

Theories of Motivation

Throughout history, psychologists have proposed different theories to explain what motivates human behavior. The following are some of the major theories of motivation.

Instincts

The instinct theory of motivation suggests that behaviors are motivated by instincts, which are fixed and inborn patterns of behavior.7 Psychologists such as William James, Sigmund Freud, and William McDougal have proposed several basic human drives that motivate behavior. They include biological instincts that are important for an organism's survival—such as fear, cleanliness, and love.

Drives and Needs

Many behaviors such as eating, drinking, and sleeping are motivated by biology. We have a biological need for food, water, and sleep. Therefore, we are motivated to eat, drink, and sleep. The drive reduction theory of motivation suggests that people have these basic biological drives, and our behaviors are motivated by the need to fulfill these drives.8

Abraham Maslow's hierarchy of needs is another motivation theory based on a desire to fulfill basic physiological needs. Once those needs are met, it expands to our other needs, such as those related to safety and security, social needs, self-esteem, and self-actualization.

Arousal Levels

The arousal theory of motivation suggests that people are motivated to engage in behaviors that help them maintain their optimal level of arousal.4 A person with low arousal needs might pursue relaxing activities such as reading a book, while those with high arousal needs might be motivated to engage in exciting, thrill-seeking behaviors such as motorcycle racing.

The Bottom Line

Psychologists have proposed many different theories of motivation. The reality is that there are numerous different forces that guide and direct our motivations.

Understanding motivation is important in many areas of life beyond psychology, from parenting to the workplace. You may want to set the best goals and establish the right reward systems to motivate others as well as to increase your own motivation.

Knowledge of motivating factors (and how to manipulate them) is used in marketing and other aspects of industrial psychology. It's an area where there are many myths, and everyone can benefit from knowing what works with motivation and what doesn't.

Motivation – Need

1. Motivation helps to improve performance levels of employees as well as the organisation. Since proper motivation satisfies the need employees. They in turn devote all their energies for optimum performance in their work. A satisfied employee can always turnout expected performance. Good motivation in the organisation helps to achieve higher levels of performance as motivated employees contribute their maximum efforts for organisational goals.

2. Motivation helps to change negative or indifferent attitudes of employee to positive attitudes so as to achieve organisational goals. For example a worker may have indifferent or negative attitude towards his work, if he is not rewarded properly. If suitable rewards are given and supervisor given positive envisagement and praise for the good word done the worker may slowly develop positive attitude towards the work.

3. Motivation helps to reduce employee turnover and therefore saves the cost of new recruitment and training. The main reason for high rate of employee turnover is lack of motivation. If mangers identify motivational needs of employees and provide suitable incentives, employees may not think of leaving the organisation.

High rate of turn over compels management to go for new recruitment and training which involve additional investment of money, Time and effort. Motivation helps to save such cost. Is also helps to retain talented people in the organisation.

4. Motivation helps to reduce absenteeism in the organisation. Some importance reasons for absenteeism are bad working conditions, inadequate rewards, lack of recognition, poor relations with supervisors and colleagues etc., through sound motivational system. All these deficiencies can be covered if motivation is adequately provided, work becomes a source of pleasure and workers attend to the work regularly.

5. Motivation helps mangers to introduce challenges smoothly without much resistance from people. Normally for any change introduced in the organisation. There may be resistance for changes. If manger can convince employees that proposed changes will bring additional rewards to employees, they may readily accept the change.

Motivation – 6 Major Importance of Motivation in an Organisation

1. Proper Utilisation of Resources:

Motivation makes people work hard. When performance becomes result oriented, it in turn, brings profit to enterprise. The resources like money and material will be used at the optimum level to produce maximum output. Workers are required to use different modern techniques. Thus,

improvement in their skills takes place, as a result of which both to the organisation and the individual are benefited.

2. Reduction in Absenteeism and Turnover:

Due to an attractive wage structure, adequate financial and non-financial motivational schemes do help prevent absenteeism to a great extent. This helps improve the labour turnover in the organisation.

3. Encouragement to Increase the Output:

If the system of motivation is implemented, the employees feel happy and contented. Needless to mention that satisfied and happy workers put their whole hearted and the best possible efforts to improve the production and profit.

4. Inducing the Sense of Belonging:

Existence of a good motivational system makes the employees feel that the management in all respects is looking after them. So a sense of belongingness amongst the workers is inculcated. This results in merging their interests with goals of the enterprise.

5. Promoting an Urge for Willingness to Work:

When we talk of willingness to work, you can assign a job to a worker but cannot force him do to execute it, as the adage goes – "You can take a horse to the water but cannot make it drink". The accomplishment of a job is entirely dependent on the willingness of a worker. This willingness has to come from within. Motivation infuses the desire in an employee to put his best, leading to accomplishment of organisational goals.

6. Establishing Good Work Relation:

Motivation through its two-pronged system (coin and kind) creates a desirable work relation between the management and the workers. Such motivational plans benefit both the employee and the employer. These plans boost the efficiency of the work force and in turn the productivity. Thus, it creates a congenial work atmosphere. In a way this helps reduce the labour problems like absenteeism, indiscipline etc.

Motivation – Evaluation

Job enrichment has not always been on the credit side of the ledger. The success stories are somewhat incomplete and are based on poorly designed research surveys.

Critics generally attacked the concept on the following grounds:

1. Job enrichment is not a social cure for workers' discontent. Moreover, it may not be possible to give priority to social efficiency over considerations of purely economic efficiency in long term. "The manager who pretends that the personal needs of the worker come before the objective need of the tasks is indeed a liar or a poor manager." (Drucker)

2. Some jobs cannot be enriched beyond a certain point. "The prospects for humanising work are constrained by the realities of the work to be done – realities which are beyond the power of planners to control." (Livitan et al.)

3. Many workers do not feel alienated from their jobs and do not desire more responsibility or involvement at their workplace.

4. Labour unions thrive on conflict with management. No wonder, they try to frustrate enrichment programmes by imposing restrictive job descriptions, tenure requirement, etc.

5. In the job enrichment programmes, we try to put all the focus on worker and how to restructure his job and forget the boss. A costly lapse indeed! Supervisors often feel that job enrichment programmes have sliced away a big part of what he feels is his responsibility.

6. As pointed out by Tregoe, increasing job scope does not automatically motivate workers and in many jobs it is impractical because they are not structured so that elements can be added.

7. The introduction of job enrichment programme may have a negative impact on some workers and result in feelings of inadequacy, fear of failure and a concern for dependency. For these workers, low-level competency, security and relative independence are more important than the opportunity for greater responsibility and personal growth in enriched jobs.

8. The majority of firms currently practising it have a rather limited understanding of the concept, they are not sure how, when and where to apply it. After examining the responses from 125 companies, Reif et al. concluded thus, "Companies do not adequately prepare employees psychologically for the greater autonomy. Responsibility and development is not given sufficient attention during the implementation of job enrichment . . . Organisational support for enriched jobholders is not forthcoming . . . Industry has done such a good job of conditioning men to perform as machines that employees now are having a difficult time performing as whole beings at work".

9. Most of the time job enrichment is imposed on people. They are told about it, rather than asked whether they would like it or how their jobs could be made more interesting. Mitchell Fein's research for the American Institute of Industrial Engineers indicates that the job enrichment does not work simply because workers do not want it.

What is Career Management?

Career Management is the process of creating a plan for your career. It involves identifying your skills, interests, and values and then making choices about the type of work you want to do. By managing your career, you can set goals, develop new skills, and find opportunities to advance your career.

Career Management involves self-assessment, exploring diverse career paths, ongoing learning, and adapting to job market changes. It's about taking control of your career path to fulfil your aspirations and achieve long-term professional satisfaction.

Importance of Career Management

Career Management is crucial for keeping your professional journey effective. Taking charge of your career aligns your goals with practical steps, ensuring continuous development and satisfaction in your professional journey.

You can regularly shape your career by setting SMART Goals (Specific, Measurable, Achievable, Relevant and Time-bound), seeking growth opportunities, and adapting to changes in the job market. This will give you the ability to overcome challenges and make well-informed decisions that will increase your success and job satisfaction.

Goals of Career Management

Starting on a successful Career journey requires clarity of purpose and strategic planning. Understanding the goals of Career Management is crucial for achieving long-term success and fulfilment in your professional life. The following are the key components that contribute to shaping a rewarding career path:

1) Aspirations

The foundation of Career Management is aligning your Career goals with your professional activities. Identifying your aspirations involves self-analysis and visualising your desired future state. Whether you're reaching a Leadership position or making a meaningful impact in your field, your aspirations provide direction for your Career journey.

2) Skill development

In today's dynamic work environment, staying competitive requires a commitment to enhancing your skill set. This involves identifying the skills relevant to your desired Career path and actively seeking opportunities to acquire and refine them. Whether through education or training, investing in skill development equips you to adapt to job requirements and grab opportunities.

3) Growth

Career Management encourages long-term growth by cultivating a mindset of continuous improvement. This involves seeking challenges, taking on new responsibilities and embracing feedback for growth. By adopting a growth-oriented mindset, you can confidently navigate transitions, unlocking new possibilities for success in your Career journey.

4) Ambition

Career Management promotes long-term growth by encouraging ambition. To accomplish this, you must look for challenges and cultivate a growth-oriented mindset. This enables you to handle changes effectively and open new opportunities for professional success.

Benefits of Career Management

Here are some benefits of Career Management, which guarantee personal growth, job satisfaction, and improved prospects for professional advancement:

1) Enhances organisational support

Implementing Career Management practices benefits both you and your organisation. By aligning your Career goals with organisational objectives, you ensure mutual support and collaboration and encourage a favourable work environment.

2) Identifies employee skills and interests

Career Management lets you know your strengths, weaknesses and interests. Understanding your capabilities enables you to pursue roles that resonate with your skills and passions, maximising job satisfaction and performance.

3) Boosts employee commitment

Career Management empowers you to take ownership of your professional growth. When you feel valued and supported in your aspirations, you become more committed to your role and organisation, increasing productivity and engagement.

4) Increases morale

Having a clear Career path and opportunities for development enhances your morale and job satisfaction. Feeling valued and recognised for your contributions boosts your confidence and motivation, ultimately leading to a more positive work experience.

5) Decreases turnover

When you're actively engaged in managing your career, you're less likely to search for opportunities somewhere else. Career development initiatives demonstrate your organisation's investment in your growth, decreasing turnover and preserving institutional knowledge.

6) Minimises recruitment costs

Effective Career Management minimises the need for frequent recruitment by retaining skilled and motivated employees. By investing in your development and advancement, your organisation saves on recruitment expenses and maintains a stable workforce.

Influencing factors in Career Management

The following are the factors Influencing that can help you manage your career:

1) Individual situation

Your circumstances, including your skills, experience and aspirations, significantly shape your Career Management strategy. Understanding your strengths and weaknesses gives you the power to make informed decisions and successfully navigate your career journey.

2) Motivation

Your level of motivation and drive directly impacts your commitment to Career Management. You actively search for opportunities for development and advancement when you're motivated to succeed and grow professionally.

3) Market trends

The ever-changing job market landscape intensely influences Career Management decisions. Staying informed about industry trends, emerging technologies, and evolving skill requirements enables you to adapt your Career strategy to remain competitive and relevant in the marketplace.

4) Evaluation

Regular self-assessment and performance evaluation are essential components of effective Career Management. Through critical assessment of your skills, achievements, and areas of improvement, you can pinpoint opportunities for growth and development.

Organisation's role in Career Management

We'll explore how organisations play a crucial role in skill application, learning, and development and in providing resources for employees' career growth:

1) Skill application

Your organisation plays a crucial role in facilitating the application of your skills within the workplace. The organisation enhances your job satisfaction by providing opportunities to utilise your talents effectively in your role.

2) Learning and development

Your organisation is responsible for investing in your continuous learning and development. Through training, the organisation equips you with the necessary skills to excel in your current role and prepare for future opportunities.

3) Activities and resources

Your organisation offers various activities and resources to support your Career Management efforts. From mentorship programs to networking events, the organisation provides you with the tools and support needed to navigate your Career path successfully.

What is mentoring?

Understanding the definition of mentoring will help you create mentoring programs that contribute to your team and your organization's growth.

Mentoring is a reciprocal relationship that involves the transfer of knowledge and sharing of experiences between two individuals: a mentor and a mentee. The mentor, typically more experienced, guides and supports the mentee, who seeks to grow professionally or personally.

Think of Steve Jobs and Mark Zuckerberg. As Zuckerberg developed Facebook, he turned to Jobs for guidance. Their discussions in Palo Alto, covering both Facebook's management and broader aspects of entrepreneurship, were instrumental in Zuckerberg's journey.

Unlike static learning methods like reading or attending lectures, mentoring focuses on experiential, dynamic learning, emphasizing interpersonal connection and tailored guidance. It is more than just a mentor giving advice to a mentee. It empowers mentees to identify their own goals and supports them in finding solutions to their challenges. This approach fosters a deeper understanding, motivation, and empowerment for the mentee, making mentoring a unique and valuable learning experience.

Skills and Activities of Mentoring

What is required of a mentor? The most favoured attributes appear to be acting as a sounding board for ideas; being a source of organizational knowledge; and helping people to see themselves more clearly. Interesting, few potential mentors choose a role model; someone who exemplifies good practice although this is frequently the reason a mentor is chosen by a mentee.

Each variant of the mentor role requires different skills, but a core might include some familiar and well-developed techniques, to be used during a mentoring meeting:

Listening openly without making judgments;

Asking open-ended questions;

Summarizing;

Clarifying;

Reflecting back;

Being aware of differences between verbal and non-verbal behavior;

Helping the mentee explore potential options and their outcomes.

Learning to Mentor

To provide a baseline or a common approach, many organizations provide orientation or training for mentors. It can be a welcome opportunity to attend a mentoring workshop to engage in some personal development, to revisit the skills of listening, establishing rapport, reflecting on one's own behaviour; skills that may have become rusty in the journey to a senior position. The use fullness of mentors lies partly in their knowledge and experience.

But as this becomes less relevant with changing times, mentors' key value is in their ability to help their mentees to gain knowledge and experience of their own in their current role, and to develop their ability to make effective judgments in ambiguous or uncertain or uncertain situations.

Informal Mentoring

In organizations, many people have experience of an informal mentor; someone who took them under their wing at a crucial stage in their career. If we are considering a wide variety of organizations, there are traces of this process, being, as it is, a very normal and well-respected human activity. There is one approach to promote mentoring in the organization is to encourage this process by, for instance:

Describing it as a valuable process;

Encouraging new recruits to select a mentor;

Including developmental activities such as mentoring and appraisal criteria for senior managers.

Development through Mentoring

Successful companies large and small use mentoring to tackle complex human resource challenges such as increasing employee retention, enabling company succession plans, and improving workforce productivity.

Employee Career Development

Leadership Development

Diversity Mentoring

Reverse Mentoring

Knowledge Transfer

Employee Career Development

By encouraging a learning culture through mentoring, companies ensure that employees take an active role in spreading knowledge and best practices throughout their organization. The collaborative nature of mentoring develops individuals and interpersonal links between individuals, which increases engagement.

Corporate mentoring enables both career development and leadership development to help employees develop new skills and feel engaged within the organization. These factors all lead to happier employees and a better retention rate for a stronger, more effective organization.

Leadership Development

High potentials are an incredibly valuable asset to any company, but they're often difficult to retain. With careful cultivation, companies can increase retention to ensure they'll be able to appoint suitable leaders at the top when needed—which is crucial to the health and future of every organization.

Professional mentoring programs are an effective strategy to reward high potentials with personal attention and guidance, which leads to nurturing an organization's leadership chain. By connecting high potentials with leaders, top performers, and each other across the company, high potentials learn faster and are ready to take on leadership positions sooner.

Diversity Mentoring

A diverse workforce is required to stimulate innovation, cultivate creativity, and steer business strategies. Mentoring empowers a diverse range of employees to share their opinions, ideas, knowledge, and experiences on a level playing field.

Mentoring creates an environment of trust, belonging, understanding, support, and encouragement for a diverse workforce. It gives employees an opportunity to voice their concerns, overcome hurdles, and find solutions. As a result, it inspires employees to perform to their highest ability.

Reverse Mentoring

Popular among companies that believe everyone has something to bring to the table, reverse mentoring partners an older, more experienced employee with a younger, less experienced newcomer.

It differs from traditional mentoring because it's the new employee who serves as the mentor, providing senior members of the organization with up-to-date information on the latest business technologies and workplace trends.

Reverse mentoring is generally a two-way street, with a partnership that provides the younger employee with a chance to see the larger picture as well as macro-level management issues.

Knowledge Transfer

Helping employees acquire the necessary knowledge, skills, and expertise is essential for any organization. Mentoring is an effective approach to organize, create, capture, and distribute knowledge.

It supports short- and longer-term situational as well as topical learning between individuals and groups. It also reduces the time required for knowledge transfer by providing direct access to a range of experts and peers who can share the required knowledge and skills in an environment that promotes rapid learning.

What is Job Satisfaction?

Job satisfaction is defined as the extent to which an employee feels self-motivated, content & satisfied with his/her job. Job satisfaction happens when an employee feels that he/she is having job stability, career growth and a comfortable work life balance. This implies that the employee is having satisfaction at job as the work meets the expectations of the individual. Job satisfaction may not only be about compensation, perks or assets an employee might get but also is about the environment, culture and quality of work which a company can offer to employee. It may or may not be quantified though research methodology can be used to relatively check the satisfaction levels of employees in the same company or a sector on common parameters or questions.

There are a lot of factors which go together to ensure high job satisfaction rates in a company. To begin with hygiene factors like good pay, work life balance, perks, leaves etc. play a very important role in making sure that the employee is content in the job. Job satisfaction can be a relative term as it may depend on an individual's perception but overall job satisfaction can be judged through various indirect parameters like productivity, attrition rate, employee feedback etc. It may also differ from industry to

industry. The measurement or perception of job satisfaction may be different from IT sector when compared to manufacturing sector. Job satisfaction may also depend upon the factor whether the person stays in the same company or sector for a long period of time. If the growth within the same company gets stagnant then the job satisfaction may drop significantly as compared to an employee who would be switching careers regularly. On the other hand, for some people, job satisfaction may not be high if they keep switching companies again and again. Job Satisfaction can be a a very important parameter but sometimes difficult to measure or perceive.

Importance of Job Satisfaction

A satisfied employee is always important for an organization as he/she aims to deliver the best of their capability. Every employee wants a strong career growth and work life balance at workplace. If an employee feels happy with their company & work, they look to give back to the company with all their efforts.

Importance of job satisfaction can be seen from two perspectives:

For Employees

Job satisfaction from an employee perspective is to earn a good gross salary, have job stability, have a steady career growth, get rewards & recognition and constantly have new opportunities.

For Employers

For an employer, job satisfaction for an employee is an important aspect to get the best out of them

A satisfied employee always contributes more to the company, helps control attrition & helps the company grow. Employers needs to ensure a good job description to attract employees and constantly give opportunities to individuals to learn and grow.

The positive effects of job satisfaction include:

1. More efficiency of employees of workplace if they are satisfied with their job.

2. Higher employee loyalty leading to more commitment.

3. Job satisfaction of employees eventually results in higher profits for companies.

4. High employee retention is possible if employees are happy.

Job Specification

Job Description

Job Bidding

Job Design

Job Analysis

Job Satisfaction Factors

Job satisfaction is related to the psychology of an employee. A happy & content employee at a job is always motivated to contribute more. On the other hand, a dissatisfied employee is lethargic, makes mistakes & becomes a burden to the company. The elements & factors which contribute to job satisfaction are:

1. Compensation & Working conditions

One of the biggest factors of job satisfaction are the compensation and benefits given to an employee. An employee with a good salary, incentives, bonuses, healthcare options etc. is happier with their job as compared to someone who doesn't have the same. A healthy workplace environment also adds value to an employee.

2. Work life balance

Every individual wants to have a good workplace which allow them time to spend with their family & friends.

Job satisfaction for employees is often due a good work life balance policy, which ensures that an employee spends quality time with their family along with doing their work. This improves the employee's quality of work life.

3. Respect & Recognition

Any individual appreciates and feels motivated if they are respected at their workplace. Also, if they are awarded for their hard work, it further motivates employees.

Hence recognition is one of the job satisfaction factors.

4. Job security

If an employee is assured that the company would retain them even if the market is turbulent, it gives them immense confidence. Job security is one of the main reasons for job satisfaction for employees.

5. Challenges

Monotonous work activities can lead to dissatisfied employees. Hence, things like job rotation, job enrichment etc can help in job satisfaction of employees as well.

6. Career Growth

Employees always keep their career growth part as a high priority in their life. Hence, if a company helps groom employees and gives them newer job roles, it enhances the job satisfaction as they know they would get a boost in their career.

Measuring Job Satisfaction

It is critical for any company to measure job satisfaction as the efficiency, productivity and loyalty of an employee depends on it. Companies can conduct surveys with questionnaires asking the employees about their feedback and understand if they are satisfied or dissatisfied with their job. Companies can ask the following questions to measure job satisfaction and can give multiple options like Satisfied, somewhat satisfied, neutral, somewhat dissatisfied, dissatisfied:

1. Are you happy with your salary/incentives?

2. Is your contribution to the company recognized with awards?

3. Do you find your workplace conditions good, hygienic, competitive?

4. Do you have a good work life balance?

5. Are you happy with company policies for your career growth & training and development?

Apart from the above questions, specific open-ended questions about job satisfaction can also help in understanding employee pain-points and how the company can improve to ensure a happy employee.

In industrial and organizational psychology, organizational citizenship behavior (OCB) is a person's voluntary commitment within an organization or company that is not part of his or her contractual tasks. Organizational citizenship behavior has been studied since the late 1970s. Over the past three decades, interest in these behaviors has increased substantially.

Organizational behavior has been linked to overall organizational effectiveness, thus these types of employee behaviors have important consequences in the workplace.

Organ expanded upon Katz's (1964) original work.[1]

Definition of the concept

Organ (1988) defines OCB as "individual behavior that is discretionary, not directly or explicitly recognized by the formal reward system, and that in the aggregate promotes the effective functioning of the organization".[2] Organ's definition of OCB includes three critical aspects that are central to this construct:

First, OCBs are thought of as discretionary behaviors, which are not part of the job description, and are performed by the employee as a result of personal choice.

Second, OCBs go above and beyond that which is an enforceable requirement of the job description.

Finally, OCBs contribute positively to overall organizational effectiveness.

At the same time, Organ's (1988) definition of OCB has generated a great deal of criticism. The very nature of the construct makes it difficult to operationally define. Critics started questioning whether or not OCBs, as defined by Organ, were discretionary in nature. Organ (1997), in response to criticisms, notes that since his original definition, jobs have moved away from a clearly defined set of tasks and responsibilities and have evolved into much more ambiguous roles.[3] Without a defined role, it quickly becomes difficult to define what is discretionary.

Similar constructs

Contextual performance

OCB has often been compared to contextual performance. Similarly to OCB, this concept emerged in response to the realization that only looking at job specific work behaviors ignored a significant portion of the job domain. Originally, experts in this field focused only on activities that directly supported the output of the organization. As the job market became more aggressive, it became necessary for employees to go above and beyond that which is formally required by the job description in order to remain competitive. Contextual performance is defined as non-task related work behaviors and activities that contribute to the social and psychological aspects of the organization.[4]

Contextual performance consists of four elements: persistence of enthusiasm, assistance to others, rule and proscribed procedure following, and openly defending the organizations objectives.[4] OCB and contextual performance share their defining attributes as they both consist of behaviors other than those needed to perform the routine functions of the job. Both also require that these behaviors contribute to the overall success of the organization. Additionally, they also agree on the theme that these behaviors are discretionary and each employee chooses the amount and degree to which they will perform them. However, while contextual performance and OCB share a good part of their content domain, there are some important differences between the two constructs. One of the main requirements of OCBs is that they are not formally rewarded, which is not the case for contextual performance. Organ (1997) contends that OCBs may at some point encourage some sort of reward, but that these rewards would be indirect and uncertain. Also, contextual performance does not require that the behavior be extra-role, only that it be non-task. The differences between contextual performance and OCB are slight and easy to miss, however, they do exist.

Prosocial organizational behavior

OCB has also been compared to prosocial organizational behavior (POB). POB is defined as behavior within an organization that is aimed at improving the welfare of an individual, a group or an

organization.[5] The important distinction here is that this type of behavior, unlike OCB, can be unrelated to the organization. Thus, someone exhibiting prosocial behavior could be helping a coworker with personal matter.

Extra-role behavior

Extra-role behavior (ERB), first defined by Van Dyne, Cummings and Mclean-Parks (1995, as cited in Organ, Podsakoff, & MacKenzie, 2006), is another construct similar to OCB. ERB is defined as "behavior that attempts to benefit the organization and that goes beyond existing role expectations" (Organ et al., 2006, p. 33). While similar in many aspects, there do exist some important differences between OCB and ERB. Two concepts are a part of ERB that are not included in OCB: whistle blowing and principled organizational dissent. Whistle blowing involves the reporting of one employee by another so that unethical and or illegal practices are brought to the attention of authorities (Near & Miceli, 1987, as cited in Organ et al., 2006). Principled organizational dissent is when employees protest the organization because of some kind of injustice (Graham, 1986, as cited in Organ et al., 2006). Both of these ideas contribute to ERB in the sense that their purpose is to further the good of the organization[citation needed] and that they are not included in the formal job description. This again, is a construct very similar to OCB.

Altruism and general compliance

Smith, Organ, and Near (1983) first proposed that OCB is composed of altruism and general compliance. These two dimensions serve to improve organizational effectiveness in different ways. Altruism in the workplace consists essentially of helping behaviors. These behaviors can both be directed within or outside of the organization. There is no direct link, or one-to-one relationship, between every instance of helping behavior and a specific gain for the organization. The idea is that over time, the compilation of employees helping behavior will eventually be advantageous for the organization (Organ et al., 2006).

General compliance behavior serves to benefit the organization in several ways. Low rates of absenteeism and rule following help to keep the organization running efficiently. A compliant employee does not engage in behaviors such as taking excessive breaks or using work time for personal matters. When these types of behaviors are minimized the workforce is naturally more productive.

Later, Organ (1988) deconstructed the dimension of general compliance and added additional dimensions of OCB. This deconstruction resulted in a five-factor model consisting of altruism, courtesy, conscientiousness, civic virtue, and sportsmanship. The definition of altruism remained much as it was, defined by discretionary behaviors that have the effect of helping a specific colleague with an organizationally relevant task or problem. Conscientiousness consists of behaviors that go well beyond

the minimum role requirements of the organization (Law, Wong, & Chen, 2005). These behaviors indicate that employees accept and adhere to the rules, regulations, and procedures of the organization.

Civic virtue is characterized by behaviors that indicate the employee's deep concerns and interest in the life of the organization (Law et al., 2005). This dimension also encompasses positive involvement in the concerns of the organization (Organ et al., 2006). Examples of civic virtue can be seen in daily affairs such as attending meetings and keeping up with what is going on with the organization in general. Civic virtue can also be demonstrated on a larger scale by defending the organization's policies and practices when they are challenged by an outside source.

Courtesy has been defined as discretionary behaviors that aim at preventing work-related conflicts with others (Law et al., 2005). This dimension is a form of helping behavior, but one that works to prevent problems from arising. It also includes the word's literal definition of being polite and considerate of others (Organ et al., 2006). Examples of courteous behaviors are asking fellow employees if they would like a cup of coffee while you are getting one for yourself, making extra copies of the meeting agenda for your teammates, and giving a colleague ample notice when you alter something that will affect them.

Finally, sportsmanship has been defined as a willingness on the part of the employee that signifies the employee's tolerance of less-than-ideal organizational circumstances without complaining and blowing problems out of proportion. Organ et al. (2006) further define sportsmanship as an employee's "ability to roll with the punches" even if they do not like or agree with the changes that are occurring within the organization. By reducing the number of complaints from employees that administrators have to deal with, sportsmanship conserves time and energy.

It has been proven empirically that the factors listed above are the most robust and distinct factors in assessing OCB. However, in a meta-analysis of the OCB literature, LePine, Erez, and Johnson (2002) found that these five dimensions are very highly correlated and do not have much differentiation among antecedents, indicating some overlap in the dimensions.

Behaviors directed at the individual and the organization

A different way of organizing the OCB construct was proposed by Williams and Anderson (1991). They divided up the dimensions of OCB into two different types of OCB based on whom the behaviors were directed at. Organizational citizenship behavior – individuals (OCBI) include behaviors that are aimed at other individuals in the workplace while organizational citizenship behavior-organizational (OCBO) include behaviors directed at the organization as a whole. Altruism and courtesy are actions aimed at other employees and thus fall under the umbrella of OCBIs. Conscientiousness, civic virtue, and sportsmanship are behaviors intended for the benefit of the organization and can subsequently be

considered OCBOs. Those dimensions are widely used in organizational behavior studies e.g.[citation needed]

Motivations for engaging in Organizational Citizenship Behaviour

Motivation plays an important role in driving individuals to engage in Organizational Citizenship Behavior (OCB). The underlying mechanisms that lead employees to engage in these extra-role behaviors are significant for both academic study and practical application in the field of public management.

Theories of Motivation

Several prominent theories in psychology and organizational behavior provide insights on the motivations behind OCB. One such theory is Abraham Maslow's hierarchy of needs.[6] According to Maslow, individuals have a hierarchy of needs ranging from physiological needs to self-actualization. Once basic needs are met, individuals are motivated by higher-level needs, such as belongingness and esteem. In the context of OCB, employees who feel a sense of belonging and recognition are more likely to engage in discretionary behaviors that benefit the organization.[7]

Another relevant theory is Frederick Herzberg's Two-Factor Theory.[8] Herzberg distinguished between hygiene factors, which include extrinsic factors like salary and working conditions, and motivators, which comprise factors such as recognition and achievement.[9] An illustrative example of this theory in action is when an organization provides a conducive work environment (hygiene factor) along with regular employee recognition programs (motivator). This combination can significantly contribute to a motivated workforce, more inclined towards engaging in OCB.[10]

Intrinsic vs. Extrinsic Motivation

Motivation can be categorized into two primary types: intrinsic and extrinsic motivation. Intrinsic and extrinsic motivations play distinct roles in encouraging OCB.[11] Intrinsic motivation stems from internal factors within an individual. It is characterized by a sense of personal satisfaction, enjoyment, or fulfillment derived from engaging with or performing an activity or task.[12] Employees who are intrinsically motivated to excel in their roles are more likely to engage in OCB, as they find satisfaction in contributing beyond their basic job requirements.[12][13][14] For instance, an employee might mentor a new team member not because of a specific reward, but because they find fulfillment in helping others grow professionally.

On the other hand, extrinsic motivation comes from external stimuli, typically in the form of rewards or punishments. Examples of extrinsic motivators include performance bonuses, incentives, recognition, promotions, or advancement opportunities.[12][14]

In summary, while both intrinsic and extrinsic motivation can influence behavior, the former is often more closely associated with sustained engagement in OCB.[15]

Public Sector and OCB

The public sector presents a unique context for considering OCB and its motivations. Research has shown that public sector employees often exhibit higher levels of OCB compared to their private sector counterparts.[16] This can be attributed, in part, to the intrinsic motivation derived from the public service aspect of their roles.[17] Public sector workers often have a strong sense of duty and commitment to the greater good, which can serve as a powerful motivator for engaging in behaviors that benefit the organization and the broader community.[16]

Additionally, public sector organizations often have specific mission statements and values centered around public service, which can enhance employees' intrinsic motivation to engage in OCB. Research has highlighted the importance of organizational mission in fostering OCB in the public sector.[18]

The Influence of Organizational Culture

Organizational culture plays a pivotal role in shaping the motivation for OCB. A culture that values teamwork, collaboration, and mutual respect fosters an environment where employees are more inclined to engage in discretionary efforts. Research indicates that when individuals perceive their organization as supportive, fair, and appreciative of their contributions, they are more likely to exhibit OCB.[19][20] Additionally, organizations that celebrate and recognize OCB reinforce the intrinsic motivation among employees, further encouraging them to go above and beyond their formal job roles for the collective benefit of the organization.[21]

The Role of Transformational Leadership

Transformational leadership has been identified as a significant predictor of employees engaging in OCB.[22] This leadership style involves inspiring and motivating employees by creating a compelling vision of the future and empowering them to contribute meaningfully to organizational goals. Studies have shown that leaders who exhibit transformational qualities, such as charisma, intellectual stimulation, individualized consideration, and inspirational motivation, are more likely to foster a culture of OCB within their teams.[23] By providing a supportive and empowering environment, transformational leaders can enhance employees' intrinsic motivation, leading to increased discretionary efforts and OCB.

Summary

Motivation plays a central role in OCB. Intrinsic factors, driven by purpose and fulfillment, are key in sustaining discretionary efforts. In the public sector, this commitment to the greater good is particularly

pronounced. Fostering motivation, as well as a culture of collaboration and empowerment, assists to promote a culture of organizational citizenship.

Gender differences

Research on gender-role stereotypes has gone on for decades. It is widely accepted that certain behaviors are considered more feminine and certain behaviors are considered more masculine. Feminine behaviors have been characterized as interpersonal in orientation and focused on a concern for others. Masculine behaviors, on the other hand, are typically more aggressive and independent (Spence & Helmreich, 1980). In line with these ideas, the OCB dimensions of altruism, courtesy, civic virtue and sportsmanship can be divided by gender role. Altruism and courtesy, previously mentioned as OCBIs, are considered in-role behavior for women, while civic virtue and sportsmanship, previously mentioned as OCBOs, are regarded as more in-role for men. The dimension of conscientiousness, which includes attention to detail and adherence to organizational rules, is excluded, as this dimension does not seem to adhere to any particular gender norm (Kidder & Parks, 2001).

Counterproductive work behavior

Counterproductive work behavior (CWB) is defined as "intentional employee behavior that is harmful to the legitimate interests of an organization" (Dalal, 2005). When considering the definitions of OCB and CWB, it seems logical to assume that these constructs are opposites; one harms the organization and the other helps. Individuals might further assume that by engaging in one of these types of behaviors, an individual will not tend to engage in the other. However, a recent meta-analysis, Dalal (2005), found that this is not the case. The results of this analysis indicate that these constructs only shared a little to moderate negative correlation and furthermore showed differences in magnitude and pattern of relationships between various antecedents and the two constructs. These results indicate that CWB and OCB are two separate constructs and should be conceptualized as thus.

Antecedents

Early research regarding the antecedents of OCB focused on employee attitudes, dispositions, and leader supportiveness. More recently, many different variables have been examined in the effort to determine the antecedents of OCB. Commonly studied antecedents of OCB are job satisfaction, perceptions of organizational justice, organizational commitment, personality characteristics, task characteristics, and leadership behavior. These antecedents have been analyzed at both the overall and individual OCB levels.

One of the most intuitive antecedents of OCB is job satisfaction. Organ and Ryan (1995) conducted a meta-analysis of 28 studies and found a modest relationship between job satisfaction and OCB. This relationship was stronger than the relationship between job satisfaction and in-role performance. Other

attitudinal measures, perceived fairness, organizational commitment, and leader supportiveness are found to correlate with OCB at about the same rate as satisfaction (Organ & Ryan, 1995).

In terms of personality characteristics, conscientiousness, agreeableness, and positive and negative affectivity garner the most support as antecedents of OCB (Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Conscientiousness, in particular, has been found to have a strong relationship with the general compliance component of OCB (Organ et al., 2006). However, it has also been reported that personality measures are weaker predictors of OCB when compared to attitudinal predictors (Organ & Ryan, 1995).

Task characteristics such as feedback, routinization, and intrinsic satisfaction are found to be significantly related to altruism, courtesy, conscientiousness, sportsmanship, and civic virtue. Positive relationships were found between both task feedback and intrinsic satisfaction and OCB, while a negative relationship was found between task routinization and OCB. Even though task characteristics have been found to predict OCB, some debate exists as to whether this is a direct effect or a relationship mediated by job satisfaction (Todd & Kent, 2006).

Leadership behaviors have also been found to be an important predictor of OCB. These behaviors fall into four categories: transformational leadership behavior, transactional leadership behavior, behaviors having to do with the path-goal theory of leadership, and behaviors having to do with the leader-member exchange theory. Transformational leadership behaviors, including articulating a vision, providing an appropriate model, fostering the acceptance of group goals, high performance expectations, and intellectual stimulation, have significant positive relationships with Organ's dimensions of OCB. Two types of behaviors representative of transactional leadership style, contingent reward behavior and non-contingent punishment behavior, have significant relationships with Organ's dimensions of OCB. Additionally, both the supportive leadership and leader role clarification aspects of the path-goal theory of leadership are positively related to OCB. Podsakoff et al. (2000) found that leader-member exchange was positively related to altruism and an overall composite measure of OCB.

Consequences

During the early 1990s, scholars gained real momentum in the area of OCB with regard to empirical research. Empirical research regarding the consequences of OCBs has focused on two main areas: organizational performance and success and managerial evaluations of performance and reward allocation. Some evidence also exists on the impacts of OCB on the employees themselves.

Organizational performance and success

Multiple studies and meta-analyses have been conducted to look at the relationship between OCBs and organizational performance and success. Podsakoff and MacKenzie (1994, as cited in Organ et al.,

2006) looked at an insurance agency and found that the OCBs civic virtue and sportsmanship were both significantly related to indices of sales performance. Podsakoff, Ahearne, and MacKenzie (1997, as cited in Organ et al., 2006) examined paper mill workers and found that helping behavior was significantly related to product quality. MacKenzie, Podsakoff, and Ahearne (1996, as cited in Organ et al., 2006) found that civic virtue and helping behavior were significantly related to the percent of team quota sales. Walz and Niehoff (2000) examined 30 different restaurants and found that helping behavior was significantly related to operating efficiency, customer satisfaction, and quality of performance. Researchers found that helping behavior was also negatively correlated with wasted food. Koys (2001, as cited in Organ et al., 2006) used a combination of OCB dimensions to form a composite measure of OCB. Results from this study indicated that the composite measure of OCB was positively correlated with restaurant profits.

More recently, Podsakoff, Blume, Whiting, and Podsakoff (2009) found that OCBs were positively related to unit-level performance and customer satisfaction. Nielsen, Hrivnak, and Shaw (2009), in their meta-analytic review of the existing group literature, examined the relationship between OCBs and performance at the group level. These researchers found a positive and significant relationship between overall OCB and performance at the group level. In addition, Nielsen et al. (2009) found that similar patterns of relationships existed for each dimension of OCB: civic virtue, sportsmanship, altruism, conscientiousness, and courtesy.

Managerial evaluations and reward allocations

With regard to the relationship between OBs and managerial evaluations, Podsakoff and colleagues (2000) found, in a summary of empirical evidence, that OCBs uniquely accounted for 42.9% of the variance in managerial performance evaluations. Results from this study also indicated that altruism or helping was significantly related to performance evaluations in eight out of the ten studies it was included in; sportsmanship was significantly related to performance evaluations in five out of the eight studies it was included in; conscientiousness was significantly related to performance evaluations in all three of the studies it was included in; and civic virtue was significantly related to performance evaluations in six out of the eight studies it was included in.

More recently, Podsakoff et al. (2009) found that OCBs have a positive relationship with performance ratings and reward allocations. Podsakoff, Whiting, Podsakoff, and Mishra (2010) examined the effects of job candidates' tendency to exhibit OCBs on selection decisions made in the context of a job interview. These researchers found that candidates whose interview responses indicated a tendency to engage in helping others, challenge the status quo by voicing their opinions, and support and defend an organization were generally viewed as more competent, received higher overall evaluations, and received higher recommended starting salaries than those who did not.

Research has also looked at the relationship between task-performance, CWB, and OCB with overall managerial evaluations. When compared with task-performance and CWB, OCB is found to contribute least to overall managerial evaluations (Rotundo & Sackett, 2002). This somewhat inconsistent pattern of results across the OCB literature with regard to antecedents exemplifies the need for more research in this area.

The effects of OCB on employees

There is some tension visible in the existing literature on the effects of OCB on the employees who perform these citizenship behaviours. Allowing employees some scope to work outside their formal roles is thought to enhance the employee experience and lower turnover intentions and actual turnover (Podsakoff et al., 2009). However, these benefits of OCB appear to come at a cost. Emotional exhaustion and conflict between home life and work are both higher for conscientious employees, and these effects are stronger amongst employees exhibiting high in-role performance (Deery, Rayton, Walsh and Kinnie, 2016).

Citizenship fatigue

Citizenship fatigue occurs when OCB activities contribute to an employee "feeling worn out, tired, or on edge,"[24] which in turn leads to reduced future OCB activity. While performance of job duties may remain high, the nature of OCB as additional activity can see atrophy through employee exhaustion. Citizenship fatigue acts on both affect and cognition meaning that a sense of OCB burnout can be coupled with the perception that OCB activities are causing the feelings of burnout.

A study of 273 employees over multiple points in time found that "perceived organisational support, quality of team-member exchange (TMX) relationships, and pressure to engage in OCB"[24] affect the interplay between OCB and citizenship fatigue. A perceived lack of support from the organisation correlates with citizenship fatigue, which workers may compensate for in other areas, such as working longer hours. Older workers were less likely to report citizenship fatigue.

High citizenship pressure does not appear to correlate to citizenship fatigue rates, but where citizenship pressure is low, higher OCB levels correlated with decreased citizenship fatigue. Further, TMX situations where employees are conscientious and supportive of each other's interests appear to decrease citizenship fatigue, although low-TMX seems to have nil impact.

Citizenship fatigue is reduced where OCB enjoys high organisational support, high-quality TMX relationships, and pressure to engage in OCB is low. Conversely, citizenship fatigue is amplified when perceived organisational support is low, TMX relationships are low in quality, and there is perceived pressure to engage in OCB.[24]

Career outcomes

A study of the relationship between OCB, task performance, and career outcomes in outcome-based professional services gauged potential consequences of OCB engagement.[25] Time spent on task performance and OCB were positively related to performance evaluations, which in turn strongly determine promotion. Controlled for advancement speed, however, performance evaluation merely allows entry into a "tournament" where the most deserving candidate for promotion "wins." Task performance determines speed of advancement, so time spent on OCB can contribute to a slower promotion rate.

Task performance also appears to be more important than OCB in an outcome-based system, where OCB participation correlates "significantly and negatively"[25] to task performance. In a professional services firm where a consultant's time is the outcome, the OCB/task performance trade off is "immediate and apparent."[25] In a sales-oriented firm the effect lags and is less apparent because the outcome of sales productivity is not immediately manifest.

There is a cost indicated to individuals engaging in OCB in an outcome-based system, with task performance proving much more important for increasing salary and enabling promotion. Conversely, OCB correlates negatively to salary and has nil impact on promotion. In short, OCB participation in may distract from task performance and negatively impact career advancement in an outcome-based system.[25]

Workplace happiness

A study of 260 hospital physicians[26] found workplace happiness positively affected OCB, with diversity management perceptions mediating the relationship between them. Diversity management enabled satisfaction with leaders, work environment and job tasks, but also enhanced feelings of respect, fair treatment, and inclusion, despite outward differences. In turn, this encouraged OCB activity such as inter-colleague assistance, working to high standard, organisational affiliation, and conflict resolution.

Findings are in line with attitudinal theory, in which a worker's positive behaviour is mainly formed by their perception of a positive attitude from their employer, but also reflects social exchange theory wherein a worker cares about their organisation where they experience "economic and sociopsychological appreciation." Engagement, job satisfaction and emotional attachment to the organisation are often translated into OCBs including "passion, proactivity, persistence and affiliation" for organisational betterment.[26]

Presenteeism

Presenteeism is where employees attend work despite ill-health. A study viewing presenteeism through Social Information Processing (SIP) Theory found that presenteeism has a positive indirect effect on co-workers' OCB activities through citizenship pressure.[27] According to SIP theory, individuals are adaptive, and able to modify beliefs and behaviours to a given social environment. Citizenship pressure is a key social theoretical mechanism which encourages co-workers of presentees to engage in OCBs, in response to a change in the operating environment.

It is also suggested that presenteeism itself is an OCB, in that it surpasses the formal demands of a role, supports organizational functioning, and is generally unrewarded. In turn, employees who perceive citizenship pressure enact their own OCBs.

The authors posit that psychological detachment from the organisation is the moderator between OCB and citizenship pressure, as psychological distance from the organisation enables the individual to respond to specific environmental cues. Conformity is toward social stimuli in the immediate environment, informed by citizenship pressure. In turn, the authors reason, that "employees who are high on psychological detachment are more likely to conform to citizenship pressure with OCBs."[27]

Thus, presenteeism can both be and enable OCBs; however, care must be taken to address possible negative reactions or harmful outcomes, and to ensure presenteeism is not explicitly encouraged as a means of encouraging OCB.[27]

Measures

Researchers have developed a variety of measures for OCB. However, before being able to measure a construct it must be defined. As discussed earlier, this is not a cut and dried task. Thus, the conceptual definitions of OCB used by researches differ from study to study.

Bateman and Organ's (1983) study was one of the first to tackle the measurement of OCB. Their definition of OCB "includes any of those gestures (often taken for granted) that lubricate the social machinery of the organization but that do not directly inhere in the usual notion of task performance" (Bateman & Organ, 1983, p. 588). Based on this definition, they constructed a 30-item OCB scale that measured cooperation, altruism, compliance, punctuality, housecleaning, protecting company property, conscientiously following company rules, and dependability. The scale asked each participant to rate their agreement or disagreement with each of the 30 items using a 7-point scale that ranged from negative 3 to positive 3.

Another important early study was Smith et al. (1983), which took a slightly more complicated measurement approach by developing a scale in stages. In order to develop their 16-item scale, these researchers interviewed managers in manufacturing organizations and asked them to "identify instances of helpful, but not absolutely required behavior" (Smith et al., 1983, p. 656). The researchers created a

20-item scale based on the interviews in addition to the scale items used in the Bateman and Organ (1983) study mentioned previously. The third step involved administering the scale to a group of 67 students who had managerial experience. The students were asked to complete the scale while thinking of someone who currently, or had in the past, worked for them. Students then described the person's work behavior and their responses to the scale items. After factor analysis, four items were dropped resulting in the 16-item scale. It is with this scale that the authors found results indicating the first two distinct dimensions of OCB: altruism and generalized compliance. Examples of items in Smith et al.'s (1983) scale include:

Helps others who have been absent.

Gives advance notice if unable to come to work.

Assists supervisor with his or her work.

Attend functions not required but that help company image.

In 1990, Podsakoff, MacKenzie, Moorman, and Fetter conducted an important study using the five dimensions of OCB: altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. These researchers developed a 24-item scale by having 10 of their colleagues sort each of the 24 items into one of the five OCB dimensions or an "other" category if they felt the item did not fit any of the five defined conceptual dimensions. Participants were asked to indicate their level of agreement using a 7-point scale ranging from "strongly disagree" to "strongly agree." This five-factor structure has served as the building block for a substantial amount of OCB research. Examples of items in Podsakoff et al.'s (1990) scale include:

Obeys company rules and regulations even when no one is watching.

Attends meetings that are not mandatory, but are considered important.

Mindful of how his/her behavior affects other people's jobs.

Willingly helps others who have work related problems.