Limited

The Helpfulness of Academia in Managing the Changing Workforce

John W. Budd
Center for Human Resources and Labor Studies
Carlson School of Management
UNIVERSITY OF MINNESOTA
A Quiz

1. Why do people work?
2. What motivates people at work?
3. What drives human behavior?
About Me

@JohnWBudd
Blog: Whither Work?

• Ph.D. in Economics from Princeton...
• ...but an Industrial Relations scholar
  • A multidisciplinary approach to studying/improving all aspects of work that embraces institutions
• Carlson assistant, then associate, now full professor
• Teach mostly in the HRIR graduate programs (& MOOC)
  • Personnel Economics, Labor Relations, Statistics
• Schizophrenic Research
  • Empirical research on labor unions, labor policy, etc.
  • Conceptual books on the employment relationship, labor policy, and work, plus a labor relations text
Thoughts on Uber and Its Psychological "Tricks"

Earlier this month, a New York Times article “How Uber Uses Psychological Tricks to Push Its Drivers’ Buttons” received a lot of publicity for revealing how Uber is using “behavioral science to manipulate [drivers] in the service of its corporate growth.” A company trying to get workers to act in the interests of the organization? Shocking.

The point of managing workers is to get them to do things that benefit the organization that is issuing their paychecks (or not even issuing paychecks as with diverse forms of slavery and unfree labor throughout history). I can’t be the only one tired of an “everything in the sharing economy is new” mindset. Sure, some of the specific tools might be different in the sharing economy, but the tools for managing workers have always been changing. In the industrial revolution, workers were organized together into factories to be watched more effectively. The famous Hawthorne experiments in the 1920s uncovered the importance of social factors in shaping worker productivity. I’m sure there are examples of various workplaces with real-time information on production goals displayed on a chalkboard for all to see long before there were LED or smartphone displays.

But back to the New York Times article: Good news for industrial relations, bad news for human resources. Why good news for industrial relations? “Underlying the tension was the fact that Uber’s interests and those of the drivers are not quite the same.”
About Me

• One stream of my research uncovers hidden assumptions, values, and models of the employment relationship and work, and highlights the importance of making them explicit

• And then we can use this explicitness to better understand key issues
Warning / Learning Objectives

• My goal: to stimulate thinking
  • I don’t have any easy answers to HR problems
  • I don’t have any immediate steps for you to take
  • But I hope to provide much to think about...which can then shape some things you do as an HR professional

• Learning Objectives

1. Think about a rich framework on meanings on work
2. Think about how to use employees’ different meanings of work to enhance their work motivation
3. Think about alternative academic perspectives on human behavior, and how to sensibly apply this to managing your own workers
Homogenization...

Good for milk...
bad for managing
Introduction

• Effectively recruiting, retaining, motivating, and engaging workers are key challenges in many organizations

• Academic research provides valuable insights for managers facing these challenges
  • Claim: But applications in practice tend to homogenize the workforce
    • Economics-based applications emphasize incentives
    • Psychology-based applications emphasize intrinsic rewards
    • Managers favor perspectives like their own (time pressures? confirmation bias?)
The Homogenizing Tendency

• Forum postings by students in my massive open online course (MOOC) “Preparing to Manage Human Resources”
  “Money is key driving motivation of employee’s performance. It was and stays a primary crucial factor in choosing a job.”
  “I think that a large majority of the population works for money. Can we blame them, our society has made it that way.”
  “Most people work out of the personal satisfaction and the joy of doing what makes them happy and love doing it day after day.”
The Basis for a Useful Partnership

• (Among other things) Research can help show managers…
  • The different reasons that workers work
  • Different drivers of human behavior
• But only managers can know their own employees’ values and drivers
  • Applying research based on assumptions that do not fit a particular workforce can be ineffective, or backfire
The Many Meanings of Work

- Using the disciplinary theorizing on work found in the humanities and social and behavioral sciences…

- Work as
  1. a Curse
  2. Freedom
  3. a Commodity
  4. Occupational Citizenship
  5. Disutility
  6. Personal Fulfillment
  7. a Social Relation
  8. Caring for Others
  9. Identity
  10. Service
The Many Meanings of Work

SERVING
CARING
IDENTITY
FULFILLMENT
OCCUPATIONAL CITIZENSHIP
WORK
FREEDOM
COMMUNITY
SOCIAL RELATION
CURSE
DISUTILITY

Diagnosing a lack of full work effort

If work is...

• A curse
  Work is painful, monotonous
  Preach acceptance

• A source of income
  Work is painful; leisure is preferable
  Provide financial incentives

• A source of rights
  Work lacks minimum standards and voice
  Guarantee minimum standards and voice

...barriers to full effort are...

...and possible motivational solutions...
Diagnosing a lack of full work effort

If work is...

• Fulfillment

• Status

• Identity

...barriers to full effort are...

Work is stressful and unfulfilling

Low status, belonging, acceptance

Inauthentic or negative sense of self

...and possible motivational solutions...

Structure work for intrinsic rewards

Fulfillment of desired norms and status

Structure to allow positive sense of self
Diagnosing a lack of full work effort

If work is...
- Caring for Others
- Serving Others

...barriers to full effort are...
Work devalues caring for others, prioritizes interests of men
Work values commodity production over serving others

...and possible motivational solutions...
Reduce discrimination and conflicts with other life spheres
Structure work to value and provide opportunities for serving others
• Research can provide managers with a fuller picture of alternatives

• But researchers don’t know the specific values, attitudes, and ideals of particular workers

• Applying the wrong insights can be ineffective, or backfire
  • For example, increasing incentives might not help a lack of belonging or opportunity to serve others
  • And might crowd out intrinsic motivation
  • Providing additional intrinsic rewards might not help a lack of financial motivation or a sense of lack of pay-based status
Driving Engagement

- **Fulfillment →** engagement via intrinsic rewards—competence, autonomy, belonging, personal growth

- **Identity →** engagement via positive views of the self, occupation, work group, and organization

- **Status →** engagement via interpersonal relationships, social networks, social norms, and organizational culture

- **Caring/serving →** engagement via opportunities for caring/serving others, directly and indirectly
**Assumptions**
- Self-interested
- Rational
- Extrinsic rewards are key
- Work is lousy
- Markets are important

**Dangers if Assumptions are Wrong**
- Crowd out intrinsic motivation
- Lack of fairness, trust, autonomy
- Overlook norms
- Incorrect team solutions
- Overly skeptical of information
- Overreliance on markets

**Insights for Managing Workers**
- Shirking concerns
- Overstimulation
- Opportunism
- Need monitoring, incentives (and penalties?)
- Teamwork issues
- Strategic use of private information
- Market alternatives

**ECONOMICS**
Dangers if Assumptions are Wrong
- Shirking concerns
- Opportunism
- Inadequate monitoring and incentives
- Incorrect team solutions
- Naïve use of information
- Overlook norms and markets

Assumptions
- Desire for psychological well-being
- Self-motivated individuals
- Cognitive limits
- Individual differences
- Work can provide fulfillment

Insights
- Intrinsic motivation
- Importance of positive self-esteem
- Autonomy, belonging, competence
- Multidimensional fairness

PSYCHOLOGY
Assumptions
- Socially-aware
- Desire for status and acceptance
- Work is social
- Importance of norms and social institutions
- Hierarchical, not fair, markets

Dangers if Assumptions are Wrong
- Shirking concerns
- Opportunism
- Inadequate extrinsic & intrinsic motivation
- Overlook fairness
- Incorrect team solutions
- Overemphasis on culture

Insights for Managing Workers
- Status as a driver
- In-group/out-group identification
- Peer & other normative pressure
- Culture
- Reciprocity
- Get group dynamics right
- Social networks
Conclusion

• Academic research can help managers understand their workers in more fundamental ways

• Why workers work
• Broader drivers of behavior
• Can help with...
  • Diagnosing poor performance
  • Driving engagement
  • Shaping policies, practices, and culture

• But only if theories fit an organization’s actual workers
Conclusion

- In the opening quiz, were your answers focused or varied?
  - Through your own lens, or through others’ lenses?

Opening Quiz

- Why do people work?
- What motivates people at work?
- What drives human behavior?

Will managers in your organization only see these questions through their own experiences and views?
Conclusion

Work is Complex,
So Managing is Complex
Conclusion

The Basis for a Useful Partnership

• (Among other things) Research can help show managers…
  • The different reasons that workers work
  • Different drivers of human behavior

• But only managers can know their own employees’ values and drivers

• To make a positive difference, academic-business connections need to appreciate these complexities
Further Reading

Contact Information

John W. Budd
Department of Work and Organizations
Center for Human Resources and Labor Studies
3-300 Carlson School of Management
University of Minnesota
321 19th Avenue South
Minneapolis, Minnesota 55455-0438
jbudd@umn.edu
Blog: http://whitherwork.blogspot.com/
Twitter: @JohnWBBudd
Abstract

Effectively recruiting, retaining, motivating, and engaging workers are key challenges in many organizations. Academic research provides valuable insights for managers facing these challenges, but it is typically rooted in paradigms that homogenize the workforce. Research can help show managers the different reasons that workers work and what drives human behavior, but only managers can know their own employees’ motivations. Otherwise, applying research based on assumptions that do not fit a particular workforce will backfire. These assumptions and the potential for negative consequences will be explored. To make a positive difference, academic-business connections need to appreciate the (limited) helpfulness of research. In this presentation the speaker will help participants understand a rich framework on the meanings of work, how to use employees' different meanings of work to enhance their work motivation, and understand alternative academic perspectives on human behavior, and how to sensibly apply this to managing your own workers.