

Memorandum

To: Non-Profit Executive Director
From: Wilson Wong
Date: October 16, 2007
Re: Influence of Work Design on Performance

The nature and characteristics of employees' work have a great impact on worker motivation and the way they perform. Well designed jobs have a positive influence on employee satisfaction and performance, leading to improve individual and group organizational performance outcomes such as their membership (joining/leaving an organization), reliable role behavior (how well the worker does their job), and innovative/spontaneous action (going above and beyond the normal job). Theories behind work design traditionally focus on creating or changing the nature of employee's job to improve their psychological state and therefore increase their performance outcomes. This memo seeks to provide insight into the concept of work design and how optimizing work design can be utilized to influence performance outcomes.

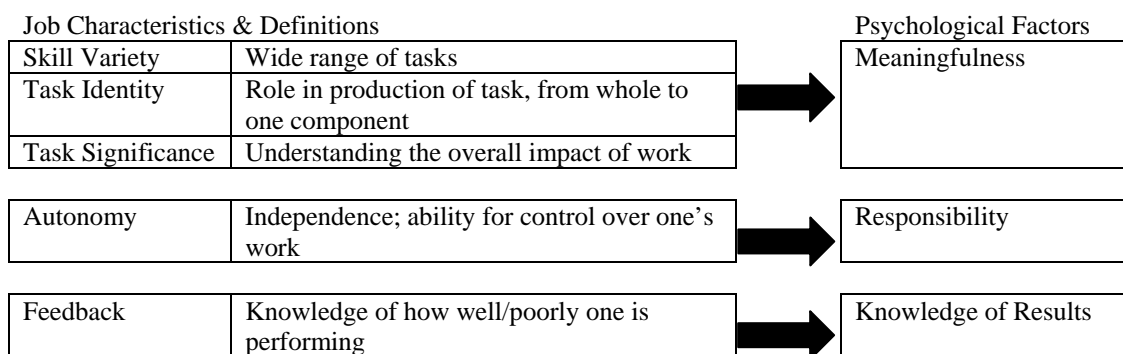
What is Work Design?

Work design refers to a spectrum of job factors, ranging from internal and external organizational factors to the way tasks are organized, that affect what people do at work and how effectively they can do it. The concept has roots in psychological research and theories of work motivation to improve employee satisfaction and performance and therefore increase organizational productivity and efficiency (Campion et. al., 2005). Much of the research centers on employee perceptions of tasks, the relationships between those perceptions and the behavioral outcomes as a result of those relationships (Griffin et. al., 1981).

The first conceptualization of motivational directed performance is based on Herzberg's Two-Factor theory which hypothesized a causal relationship between external/internal work factors and performance (Herzberg, 1966). Herzberg defined two types of factors—extrinsic hygiene factors (i.e., management, working conditions, salary, etc.) and intrinsic motivators (i.e., recognition, responsibility, achievement, etc.). The theory emphasizes attention has to be given to both employees' intrinsic and extrinsic needs in order to motivate them and create contentment and job satisfaction.

Hackman & Oldham's Job Characteristic Model (JCM) is the basis for many work design theories and extends the notion of meeting employees' human/mental needs to improve performance processes (Hackman & Oldham, 1976). Hackman & Oldham depict positive work structure in the form of five job characteristics (skill variety, task identity, task significance, autonomy, feedback) which promote higher intrinsic psychological factors (meaningfulness, responsibility, knowledge of results) and thus improve motivation and work performance. An employee with knowledge of results of their work, a sense of responsibility, and an understanding of the meaningfulness of their work will ultimately have greater satisfaction on the job. Table 1 highlights the causal relationships between the job characteristics and psychological states.

Table 1 - JCM: Relationship between Job Characteristics & Psychological Factors



No Well-Defined Causal Relationships in Work Design

A well designed job, however, does not necessarily guarantee causal motivational effects since other factors may influence employee perceptions of work characteristics. Griffin recognized performance is a complex function of a multitude of individual variables (e.g., motivation, experience, knowledge and skill), group variables (e.g., performance norms, cohesion), and organizational variables (e.g., task design, structure, technology), all of which can have a moderating effect on performance outcomes (Griffin et. al., 1981). Job design factors alone are narrow in scope and moderating attributes can affect how employees perceive their job (i.e., a person with low knowledge and skill in a high motivating job may still perform poorly) (Bassey, 2002). The mediating effects of individual employee differences, in particular personal need for growth and challenging work, emphasize a need to determine proper fit between job motivation and personal satisfaction for each employee to maximize performance outcomes. Further complicating the causal chain is the difficulty of delineating consistent, measurable performance outcomes (Perry et. al., 2006).

Influence on Organizational Membership—Do I Want to Join and Stay?

Job design has significant influence on affective outcomes that can influence membership and commitment towards an organization. Employees with a positive attitude and outlook on an organization are more willing to join or continue to stay in that organization. Workers empowered through task significance, autonomy, and task variety are generally more likely to remain dedicated to their job and the organization as whole. Chang & Lee affirm task significance has a direct influence on job satisfaction

and organizational commitment, but cautions personal traits may have a greater causal effect on organizational commitment (Chang & Lee, 2006).

Ugboro further identified increased worker empowerment and reduction of work overload as reducing rates of employee turnover, highlighting the development of task significance and autonomy as important components for affective outcomes, especially critical when organizations face additional issues such as poor organization morale or downsizing (Ugboro, 2006). When positive affective and continuance norms are present, normative measures become less of an issue and even though employees may face stressful challenges (such as seeing colleagues being fired), they can remain faithful to their job. Making employees more satisfied may incur additional upfront costs (involving and developing employees in decision-making is costly and time consuming), but satisfied employees result in overall cost-savings due to diminished turnover and increased employee productivity (Harmon, 2003).

Influence on Role Behavior—Doing My Job & Doing it Well

Most commonly, work design is expected to facilitate reliable behavioral outcomes from employees and establish role expectations for work output and participation. Furthermore, manipulating job characteristics, via internal and external inputs, can develop motivating factors in employees to affect their perception of their job and provide gains in productivity and efficiency (Harmon, 2003). Increased worker authority and understanding of magnitude of work showed increased work quality in typically mundane tasks or jobs, in which autonomy gives employees a greater sense of trust from the management and the ability to employ their knowledge and skill (Jackson, 2004). Feedback provides immediate transparency and allows employees to be

responsive to organizational and client needs, increasing efficiency (Mehta & Shah, 2005). Ugboro supports task identity and task significance as two characteristics which enhance an employees' ability to cope and produce constructive responses to maintain positive performance behaviors (Ugboro, 2006).

Job design characteristics accentuate the fact that the nature of work has a significant impact on role performance, however, practical challenges remains in actual implementation of work-design changes. An organization's perspective on reliable role behavior may be dependent upon maximizing work efficiency versus satisfaction, a conflicting dichotomy of work design mindsets and principles (Campion et. al., 2005). The complexity of organizations with different needs and varying performance outcomes underscores the difficulty in generalizing performance behaviors across organizations (Griffin, 1981).

In fact, Mehta & Shah show that in organizations focused on lean production (quality, efficiency and responsiveness), employees actually thrive better in the absence of task identity, autonomy, and task significance—factors that suggest workers may perform more accordingly to how well their personal values and personality traits align with organizational values (Mehta & Shah, 2005). Job design characteristics have traditionally focused on tailoring jobs towards individual employees, yet when work designs are generalized and applied to a class of workers, certain job characteristics become detrimental to performance (Sinha & Van de Ven, 2005). In this case, task identity and autonomy become less important than hierarchical authority and broadly defined tasks. Job dimensions, when applied appropriately, can complement an employee's inherent values and strengthen their job satisfaction.

Influence on Extraordinary Behaviors—Going Above and Beyond

Work design that is satisfying has the potential to incite workers to go above and beyond normal work behaviors; however the desire to do so is often dependent on alignment of individual personal goals with organizational commitment (Jackson, 2004). Job characteristics are not deterministic of high quality performance to do “whatever it takes to do the job”, but instead have the potential to support employees who are already committed to the organization. Task significance coincides well with developing intrinsic motivation to engage in spontaneous actions, but environment (in terms of relationships with coworkers) is also ranked as a key motivational factor for employees who want to feel comfortable with colleagues, many of whom they spend more time with than their own family (Bassey, 2002). In such cases, the causal effects for performance behaviors are not as clearly defined and environment becomes a moderating effect on job satisfaction.

Finding the Right Fit

Moderating factors can affect the degree of motivational influences on job satisfaction and pose additional considerations to affective norms. Organizations, like people, are complicated systems and represent a multitude of relationships. Regardless of countless job designs, it may be difficult to meet each individual employee’s needs exactly. Griffin posits employee’s personal needs differ vastly and that a job design cannot account for every situation (Griffin, 1981). Eskildsen & Danigaard emphasizes personal traits had an immense moderating effect on motivating influences and that organizational-wide contexts provide additional strategies to improve performance (Eskildsen & Danigaard, 2000). This may underscore the need for proper

fit in an organizational context, associating employees to a job design that matches their individual personality, but within the guidance of appropriate leadership (Garg & Rostogi, 2006). In much recent literature, there is increasing recognition that work-culture and individual demographics (i.e. age and gender of an employee) affects worker perception of motivating factors (Perry et. al., 2005). Figure 1 depicts the additional role moderating factors influence work design.

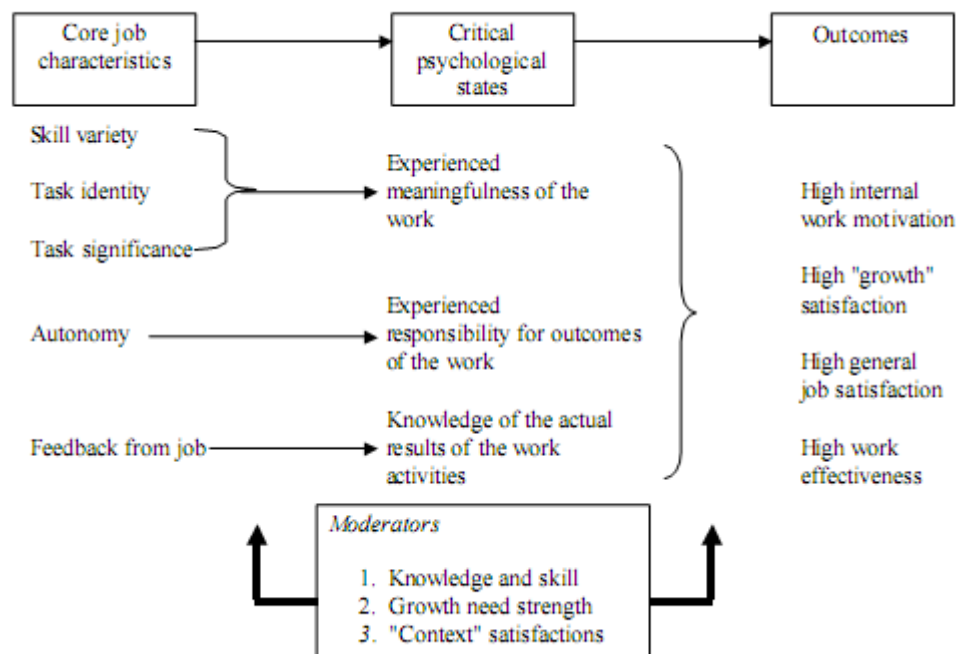


Figure 1 – JCM and Moderating Effects Influencing Outcomes (Source: Bassey, 2002)

Work Design for Non-Profits

Work design research has recently focused more on individual characteristics affecting job motivations and applying work designs in varying organizational contexts. It has also emphasized that work design has limits in motivating employees or creating job satisfaction, and depicts the need for an initial step to match employees with appropriate job tasks that match employee desires (Garg & Rastogi, 2006). Work

design is becoming more humanistic and gives attention to the uniqueness of individual personality and character. Further, there is growing recognition that performance outcome measures are difficult to measure or generalize across all contexts, as organizations have different goals and visions (Griffin, 1981). Organizations may have specific work designs that work in their own situation and context, which may accentuate or diminish certain job dimensions (Harmon et. al., 2003).

In spite of changing research emphasis, work design still remains relevant for organizations of all types in today's society. Any organization that wishes to increase productivity, work quality, and efficiency should pursue work design considerations to improve employee morale, satisfaction and motivation. Particularly for non-profit organizations, in which many employees are already highly motivated, it makes sense to further promote intrinsic values and motivation through work designs. Across the non-profit sector, organizations contend with high turnover and low extrinsic rewards, but affective norms can be a major encouraging force for many employees. Organizations could improve work performance by utilizing appropriate work designs to bolster job satisfaction and therefore sustain membership and reliable role behaviors. Work design is an important tool for non-profits and will support employees who are already dedicated to a "cause", especially since those who work in non-profits are not in it for the glory, but want to make a difference in other's lives and their own.

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Source	Type of Review	Nature of Sample	Type of work design or approach to work design	Intervening/moderating Variables	Behavioral Outcomes	Overall Results/ Findings/Conclusions
Bassey, M. (2002). Motivation and Work -Investigation and Analysis of Motivation Factors at Work. http://urn.kb.se/resolve?urn=urn:nbn:se:liu:diva-1086 (2007-03-12)	Research	Study of a metal production company	Environment (+); Feedback (+)	indiv. employee charateristics (age, gender, yrs in company, marital status)	Performance (Role behavior & above/beyond)	Only years an employee has been working in the company was an indiv charateristic that had effect on job. For all employees in the study, the feedback represents the factor with the highest motivation potential.
Campion, M.A., Mumford, T.V., Morgeson, F.P., & Nahrgang, J.D. (2005). WORK REDESIGN: EIGHT OBSTACLES AND OPPORTUNITIES. <i>Human Resource Management</i> , 44(4), 367–390.	Literature Review	Not specified	Varying approaches can be applied (mechanistic, motivational, perceptual, biological)	Indiv. Differences (GNS)	Differing units of analysis	Approach towards work design is varied, has lots of implications. GNS and fit is important for employees. Units of analysis for performance outcomes makes this difficult to measure.
Chang, S.C. & Lee, M.S. (2006). Relationships among Personality Traits, Job Characteristics, Job Satisfaction and Organizational Commitment. <i>The Business Review</i> , 6(1), 201--208.	Research	562 employee surveys from banking, service, & manufacturing industries	All (+)	Demographics (gender +), Personality Traits (+), position had no effect	Membership (org commitment)	Job charateristics positively influence org commitment, but personality traits had a significant influence as well. Consequence is that a person can/should be carefully selected for a type of position that matches his/her personality.
Eskildsen, J.K. & Dahgaard, J.J. (2000). A Causal Model for Employee Satisfaction. <i>Total Quality Management</i> , 11(8), 1081-1094.	Meta-Analysis	500 surveys of managers	Job Characteristics--all (+), include leadership (+)	Personal traits (people) & leadership/procedures (policy & strategy)	role behavior	Europe's EFQM excellence model has many parrallels to Hackman/Oldhams model of work design, but emphasizes leadership components (policy/strategy) are another strategy to improve performance
Garg, P. & Rastogi, R. (2006). New Model Of Job Design: Motivating Employees' Performance. <i>Journal of Management Development</i> , 25(6), 572—587.	Conceptual Paper (or Narrative Review?)	Refining Hackman & Oldham's work	Environment (+)-org culture, workplace ergonomics; Leadership (+)-knowledge management	??	Performance	New expanded model of job design heavily emphasizes motivating employees to higher performance.
Harmon, J., Scotti, D.J., Behson, S., Farias, G., et. al. (2003). Effects of High-Involvement Work Systems on Employee Satisfaction and Service. <i>Journal of Healthcare Management</i> , 48(6), 393-406.	Research	Study of 146 Veterans Health Administration centers, 112,360 employee surveys	High-involvement work systems (HIWS): invovlement, empowerment, development, trust, team-work, performance based rewards --Feedback (+) Task Significance (+), Autonomy (+)	??	Membership, Role behavior	HIWS incurs less expenses and result in more satisfied employees, less turnover, lower service deilvery costs. Improves government service delivery, but could be limited in private sector and it is perceptual research
Jackson, P.R. (2004). Employee commitment to quality: Its conceptualisation and measurement. <i>The International Journal of Quality & Reliability Management</i> , 21(6/7), 714--731.	Research	1120 questionnaires of employees (from all positions) from 2 manufacturing plants	Autonomy (+), Task significance (+), Task Identity (+)	Demographics (age & gender: +)	Role Behavior, Above & Beyond	Increased worker authority & undertanding of magnitude of work showed increased work quality. Older workers and women tended to show higher quality work as well.

Mehta, V. & Shah, H. (2005). Characteristics of a Work Organization from a Lean Perspective. <i>Engineering Management Journal</i> , 17(2), 14-20.	Meta-Analysis	Not specified	Feedback & Skill variety (+); Task identity & Autonomy & Task significance (-)	1) Culture (concern and uncertainty); 2) Environment (market competition)	Performance (role behavior)	Lean production (quality, efficient, & responsive to clients) is affected by work design and necessitates increase/decrease of certain job characteristics
Perry, J.L., Mesch, D., Paarlberg, L. (2006). Motivating Employees in a New Governance Era: The Performance Paradigm Revisited. <i>Public Administration Review</i> , 66(4), 505—514.	Literature Review	62 articles	All(+)	desire for personal growth	Performance (role behavior & above/beyond)	1) Job design positively affects job performance, 2) job design mostly influences affective outcomes rather than behavior outcomes, 3) moderators are important influencing factors in job design (personal desire for development varies)
Sinha, K.K. & Van de Ven, A.H. (2005). Designing Work Within and Between Organizations. <i>Organization Science</i> . 16(4), 389--410.	Meta-Analysis	Not specified	1) generalize work designs across organizations TASK IDENTITY (-); 2) increase hierarchical authority, less AUTONOMY (-); 3) interactions between groups	??	Performance (role behavior)	Posits work design can be generalized across and within organizations.
Ugboro, I.O. (2006). Organizational Commitment, Job Redesign, Employee Empowerment and Intent to Quit Among Survivors of Restructuring and Downsizing. <i>Journal of Behavioral and Applied Management</i> , 7(3), 232--254.	Research	438 middle-managers/supervisors in transit systems	Increase worker empowerment & reduce work overload--Autonomy (+) & task significance (+)	Effect of demographics is unknown	Membership, Role behavior	Statistically significant correlations between measures of employee empowerment (impact, meaningfulness and competence) and constructive and hopeful responses to structuring and downsizing. Though limited, job redesign could facilitate the same.
Griffin, R.W., Welsh, A., & Moorhead, G. (1981). Perceived Task Characteristics and Employee Performance: A Literature Review. <i>The Academy of Management Review</i> , 6(4), 655-664	Literature Review	Review of 13 studies	Job Characteristics--all (+)	Performance is a function of a complex set of individual variables (e.g., motivation, experience, ability), group variables (e.g., performance norms, cohesion), and organizational variables (e.g., task design, structure, technology).	Performance (role behavior)	Employee performance is measured irregularly. Suggests causal model is not fully accurate and that moderating factors exist. A reverse causal relationship may exist.
Hackman, J.R. & Oldham, R.G. (1976). Motivation through the design of work: test of a theory. <i>Organizational Behavior and Human Performance</i> , 16, 250-79.	Conceptual Paper	Study	*Psychological states, *Job characteristics	Indiv employee skill, ability, knowledge	Motivation (role behavior & above/beyond)	Identified 5 job characteristics (skill variety, task identity, task significance, autonomy, feedback) that affect 3 psychological states (meaningfulness, responsibility, knowledge of results) that increase internal work motivation, performance, and less employee turnover.
Hackman, J.R. & Oldham, G.R. (1980). Work Redesign. MA: Addison-Wesley.						

Herzberg, F. (1966): Work and the Nature of Man, Cleveland: The World Publishing Company	Research	Interview of 200 engineers & accountants	intrinsic motivation factors (achievement, recognition, work, responsibility, advancement)	Extrinsic hygiene factors (administration, supervision, policy, working conditions, salary)	Performance (role behavior)	Two-factor theory shows the hygiene factors can be considered as lower level needs, whereas the motivators can be seen as higher level needs. Emphasises that attention has to be given to hygiene factors as well as to motivators in order to motivate employees. Furthermore, the major role of the work itself as a factor of motivation and job satisfaction is stressed.
Herzberg, F., Mausner, B., & Snyderman, B. B. (1959). The Motivation to Work, NY: John Wiley & Sons	Research	203 Interviews	Attitude towards work--task significance(+)	Mental health is a POSSIBLE factor, but conclusion could not be drawn	Performance (role behavior)	Employee's feelings toward his/her job had a significant impact on the performance of the tasks. Improved attitudes toward the job led to an enhanced performance, whereas negative changes in the job attitudes caused a reduction in the work performance. Moreover, favourable attitudes toward the job had an influence on performance rather than unfavourable ones.