LECTURE III
PHRM THEORIES

Keys to Managing People

- Psychologists and management theorists have devoted much research and thought to the field of managing people at work.

- Important areas related to project management include:

  - Motivation theories

  - Influence and power

  - Effectiveness

Influences that Help / Hurt Projects

- Projects are more likely to *succeed* when project managers influence people using:
  - Expertise
  - Knowledge
  - Work challenge
- Projects are more likely to *fail* when project managers rely too heavily on:
  - Authority
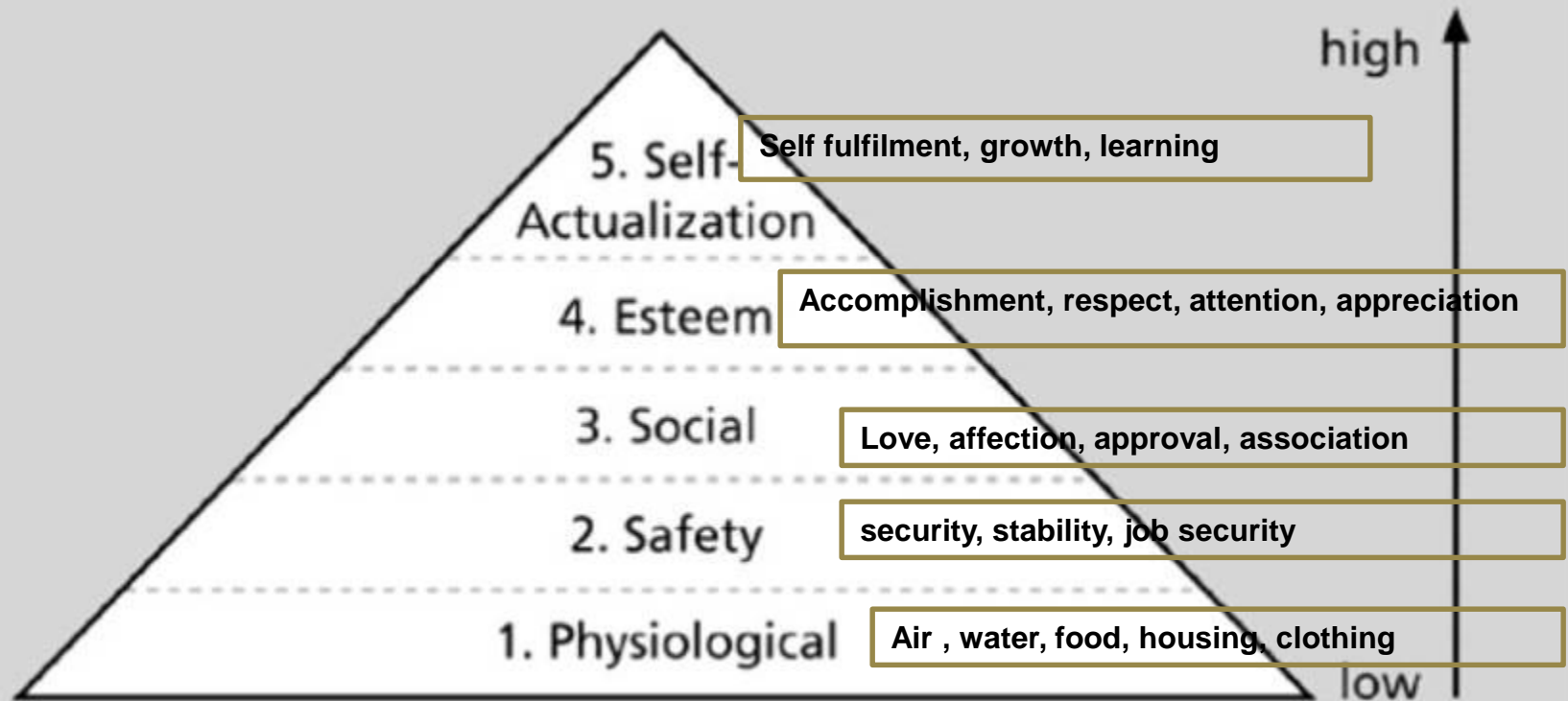 - Money
  - Penalty

Intrinsic and Extrinsic Motivation

- **Intrinsic motivation** causes people to participate in an activity for their own enjoyment

- **Extrinsic motivation** causes people to do something for a reward or to avoid a penalty

- For example, I take piano lessons for intrinsic motivation (I enjoy it) while others take them for extrinsic motivation (to get a reward)
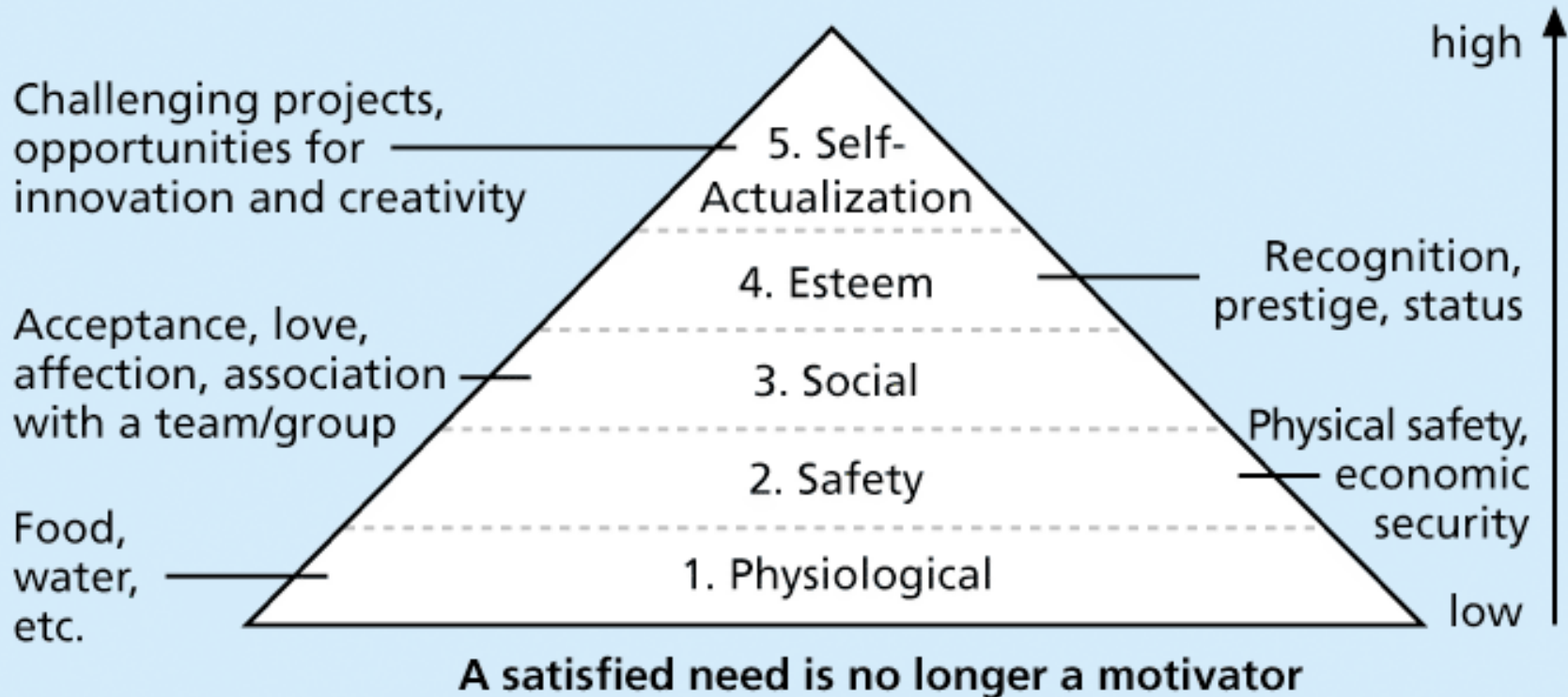
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Maslow's Hierarchy of Needs

- Abraham Maslow argued that human beings possess unique qualities that enable them to make independent choices, thus giving them control of their destiny

- Maslow developed a **hierarchy of needs**, which states that people's behaviors are guided or motivated by a sequence of needs

Maslow's Hierarchy of Needs

high

5. Self-Actualization — **Self fulfilment, growth, learning**

4. Esteem — **Accomplishment, respect, attention, appreciation**

3. Social — **Love, affection, approval, association**

2. Safety — **security, stability, job security**

1. Physiological — **Air , water, food, housing, clothing**

low

A satisfied need is no longer a motivator!

Figure 9-2. Maslow's Hierarchy of Needs

Herzberg's Motivational and Hygiene Factors

- *Frederick Herzberg wrote several famous books and articles about worker motivation. He distinguished between:*
    - *Motivational factors: Achievement, recognition, the work itself, responsibility, advancement, and growth. These factors produce job satisfaction.*
    - *Hygiene factors: Larger salaries, more supervision, and a more attractive work environment. These factors cause dissatisfaction if not present, but do not motivate workers to do more*
    - *Poor hygiene factors may destroy motivation, under most circumstances, will not improve motivation. (you can include more examples in hygiene factor personal life, relationship at work, security and status*

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Table 9–1: Examples of Herzberg's Hygiene Factors and Motivators

HYGIENE FACTORS	MOTIVATORS
Larger salaries	Achievement
More supervision	Recognition
More attractive work environment	Work itself
Computer or other required equipment	Responsibility
Health benefits	Advancement
Training	Growth

McClelland's Acquired-Needs Theory

- Specific needs are acquired or learned over time and are shaped by life experiences. The following are the main categories of acquired needs:

  - **Achievement (nAch)**: People with a high need for achievement like challenging projects with attainable goals and lots of feedback.

  - **Affiliation (nAff)**: People with high need for affiliation desire harmonious relationships and need to feel accepted by others, so managers should try to create a cooperative work environment for them.

  - **Power (nPow)**: People with a need for power desire either personal power or institutional power). Provide institutional power seekers with management opportunities.

Motivation Theory

- David McClelland's Theory of Need
  - People are motivated by fulfilling one of the following needs

Primary Need	Behavioral Style
Need for Achievement	► These people should be given projects that are challenging but are reachable. ► They like recognition.
Need for Affiliation	► These people work best when cooperating with others. ► They seek approval rather than recognition.
Need for Power	► People whose need for power is socially oriented, rather than personally oriented, are effective leaders and should be allowed to manage others. ► These people like to organize and influence others.

McGregor's Theory X and Y

- Douglas McGregor popularized the human relations approach to management in the 1960s.

- **Theory X**: Assumes workers dislike and avoid work, so managers must use coercion, threats, and various control schemes to get workers to meet objectives.

- **Theory Y**: Assumes individuals consider work as natural as play or rest and enjoy the satisfaction of esteem and self-actualization needs.

Motivation Theory

- McGregor's Theory of X & Y

- Theory X people are incapable. Avoid responsibility & avoid work whenever possible

- Theory Y people are willing to work without supervision and want to achieve

Powers of Project Manager

- **Formal** (legitimate)
  - Based on position
- **Reward**
  - Stems from giving rewards
- **Penalty** (coercive)
  - Comes from ability to penalize team members
- **Expert**
  - Comes from being the technical or project management expert
- **Referent**
  - Comes from another person liking you

Powers of Project Manager

- The best forms of power are EXPERT & REWARD
- PENALTY is the worst choice
- FORMAL, REWARD, and PENALTY are powers derived from the project manager's position in the company
- EXPERT power is earned on your own

BREAK!

Case Study