

Best motivation
methods to russian
bmw psychology
essay



**ASSIGN
BUSTER**

The information was gathered from various companies that cooperate with BMW Financial Services Russia and sale BMW cars. They are independent car dealerships but need to follow rules and guidelines defined by BMW.

Sixty two dealerships are spread all over the Russian Federation and can be found in thirty nine cities in regions from central Russia west. In eastern part of the Russia there is no official dealership. (BMW Dealer Finder, 2011)

This thesis investigates the relation between motivation of employees and the their working environment in BMW dealerships across thirty nine cities Russia. It identifies internal motivational factors of Finance and Insurance Managers (F&I) across the Russia and challenges them against the environment they are working in.

Due to strong support of BMW Bank management, high response rate was expected. As a research method, an internet survey was chosen. Due to multiple limiting factors, the survey was launched on August 2012 and lasted only for a week.

From the planned 130 participants, only 73 were allowed to participate in the survey.

My analyses show that.... (fill in after analysis)

My thesis.... (Fill in after analysis)

Introduction

Motivation is an important aspect of every human life. Humans from the very beginning of their life aim to fulfill some needs. At the first days it is survival

instinct that was described in William James works (Buss, 2012), the instinct that later was found as a coded part inside of our DNA: to feel safe close to hear heartbeat of a mother, to feel her warmth and to feed with a milk as a result of so called DNA memory (Nowak, Mulawka, & Pucienniczak, 2006) Afterwards, along with developing of consciousness, people start to make choices, plan, act and react.

Motivating employees is a very important issue in most of the organizations as today's world makes a pressure on increased efficiency. (Yurtseven & Halici, 2012) As a part of my research, I will assess to what degree monetary incentives are used and desired, as well as I will try to identify other managerial motivational factors.

Brief Company Presentation

The company Bayerische Motoren Werke AG is mostly known from its short name: BMW. BMW Group consists of three brands: BMW, Mini and Rolls-Royce Motor Cars. With these three brands Company is targeting premium market segment. (Fleischmann, Ferber, & Henrich, 2006) As a group, BMW employs over 100 000 people (2011) from which 5800 are engaged in Financial Services business. (BMW, 2012)

In Russia, BMW Group is represented since 1999. Currently there are three Legal Entities:

BMW Russland Trading – company that is responsible for importing vehicles onto territory of Russian Federation and selling them to local Russian dealerships,

BMW Bank – Subsidiary of a group that is responsible for financing legal entities (dealerships) and private persons,

BMW Leasing – part of a Group that finances legal entities in the form of leasing

Financing of private persons seldom is used in the form of bank, thus in most of the cases in the world, it is called BMW Financial Services. There are only few countries, where BMW Group was required to acquire banking license – Germany, Austria, United States of America and Russia. Thus on the territory of Russian Federation, Financial Services are known as BMW Bank.

BMW Bank is organized in the form of Captive Bank. Captive Finance Organizations are subsidiaries of the parent organization (mostly manufacturing) that finance the sales of products offered by its parent organization. Examples of these types of organizations would be General Motors Acceptance Corporation, Ford Credit or Toyota Financial Services. (Barron, Chong, & Staten, 2008)

The main noticeable difference between captive financial organizations and organizations in the form of banks is that they are not established to generate profits, but in order to boost sales of parent company at the first place. The case of BMW Financial Services has proven that it can bring considerable profits and increase sales. In 2011 BMW Group SF has recorded 3, 5 million contracts with a 12, 6% annual growth. In the same year the revenues reached €17, 5 million with a 5. 4% increase. If taking about pure earnings, the EBIT rose by 46, 8% to €1, 763 million. This has defined a captive part of a Group as a very important driver for growth. This fact is <https://assignbuster.com/best-motivation-methods-to-russian-bmw-psychology-essay/>

constantly underlined by management in meetings with employees as well as in the annual and quarterly reports. BMW does not only make cars, now it also helps in financing them. (BMW Group, 2011)

BMW Bank Russia started to operate in 2008 from acquiring banking license (required on territory of Russian Federation). In Russia it has only one office in Moscow, where around 100 employees are allocated. The interaction with potential customers is fulfilled with a help of Finance and Insurance Managers (F&I) that are not BMW employees but fulfill their duties on the Power of Attorney basis.

Describe few global programs for internal employee motivation: Buddy, Visit Dealer etc...

Aim of the study and major research question

In this study I am investigating the environment in which F&I managers work from the perspective of motivation. I aim to identify that most common ways of motivation in the form of direct financial benefits are not exactly what is expected by the employees, though they might claim that it is the biggest incentive for them.

The major research question is: To what degree working environment and past experience affect the internal understanding of motivation by BMW Russia dealership employees.

Include more than this - what does it mean?

Review of the Literature

The topic of motivation is not new in literature, and started to emerge in ancient philosophy when there was a link identified between cause and action (Aristotle, 350 BC) and later on developed by other philosophers and thinkers. (Byers, 2012)

The Maslow's Hierarchy Of Needs (Maslow, 1943) further evolved into placing this hierarchy in the context of the workplace. (Maslow, 1954) From Maslow " pyramid of needs" and the idea of existence for higher needs, Herzberg developed and formulated Dual-Factor Theory. (Herzberg, Maunser, & Snyderman, 1959) Maslow's factors were interpreted as bi-polar and grouped onto those that are related with satisfaction and those that lead to dissatisfaction. Herzberg findings led to the conclusion that satisfaction and dissatisfaction are not dependable variables but more a fully independent phenomena, that has to be treated separately.

The first trace of " carrot and stick" method as a way to motivate donkeys to move is found in Supplement of The Economist (1948). Managers then started to realize that there is something wrong with the idea of motivating employees by paying more. Researches made by Mayo (1933) have proven that in some cases motivation cannot be solved by simple salary increase, but there are other factors involved in the process. In this specific case, Mayo found out, that improving communications can solve some of the issues related to motivation. This stimulated more extensive interest in psychology as an integral part of the process of understanding the sources of motivation and appropriate using them. (Mescon, Albert, & Khedouri, 1985)

Approximately at the same period, the researches made by Cofer and Appley (1964) on other fields (such as the mental illness in this case) lead to conclusions that humans tend to reach homeostatic equilibrium and the main cause of this behavior is indeed motivation. Other investigations promoted the notion of motivation being only one of the many variables that cause behavior. This was addressed in some aspects of learning theories. (Hull, 1943)

If trying to have the full review of all available literature, it would be necessary to concentrate in separate on specific aspects, and then follow the analysis of them. One of the suggested ways would be to concentrate on changes in concept of motivation through two main streamlines: Human Needs and Action Control. (Gollwitzer & Oettingen, 2002)

Basic Human Needs - attitude that was started by representing 18 basic instincts (McDougall, 1932), evolving through different definitions of instincts and needs (Murray, 1938), facing some criticism in trying to undermine the theory by stating that something out of these basics needs must be the basic one (Baumeister & Leary, 1995) and now can be represented (again, not without considerable amount of criticism) by the theory of 16 basic desires. (Reiss, 2004)

Action Control - this streamline is treating human being more like a machine where everything can be controlled and manipulated. Having roots in Freud and learning theories (Hull, et al., 1940) was challenged by understanding that human is something more than just a machine and can predict and anticipate, thus can additionally judge and calculate on final result of his

actions. (Atkinson, 1957) Works in this streamline lead to explanations where people try to investigate and understand the reasons that lie behind their actions and behaviors, and created grounds for attribution theories. (Weiner, 1992) The idea of the control was further developed into in self-efficacy theory with understanding that individuals not only try to predict future results but also have strong belief on the results based on past experience, environment observation and finding similarities in others behaviors. (Bandura, 1997)

More or less at the same period, there is an active analysis of the working environment and behavior of specific generations. In the 1960s the theory of the X&Y generation was formulated. (McGregor, 1960) By X's were defined people that tend to avoid work, need to be forced and guided in their work. Y's on the contrary are very well self-controlled and seek responsibility. As an extension to McGregor, so called Theory Z can be also found. It can be identified as a mixture of Y's approach and Japanese management style that was highly demanded in analysis in early 1980s. (Ouchi, 1981)

More on this

Due to multiple criticisms found with regards to different theories it is hard to say which of them could be called " modern theories" as to some degree in specific environments any theory could find its application. Some refer to part of the motivational theories more as theoretical and try to select set of motivation theories that due to their empirical character could be more valid in current world. (Yurtseven & Halici, 2012)

Pink (2009) for example, presents mixture of Rewards and Functional Fixedness experiments to argue the shifting that has occurred from Motivation 2.0 towards Motivation 3.0 – as he calls them. He does the analysis with the usage of relations to intrinsic and extrinsic motivations and researches done back in 1945 (Duncker, 1945), with strong message, that simple extrinsic motivators are crippling innovative thinking. His findings could be challenged and criticized as other researchers came to exactly opposite results. (Eisenberger & Aselage, 2009)

In the current literature there is a strong lack of deeper investigation into motivation among children and how it is affecting adult life. Though it has been proven, that motivation is a crucial factor during childhood development and future life (Elliot & Dweck, 2005), researching children is still a challenge.

The development of the human that starts from the very first day after birth is driven by several factors. These factors are present in different theories and are named differently. Typical attitude in Developmental theory is to approach the development through the “domains”: physical, cognitive, socio-emotional. Inside those three domains there are guiding factors: nature, nurture and own activity. (McDevitt & Ormrod, 2006)

The spontaneous activities and vitality of children are driven by fully internal – intrinsic factors, without any external factors they are lively, joyful and willing to do many things per request, without any rewards applied. (Harter, 1978) This type of behavior seems natural, as at that moment of time the simplest relations development and emergence of human traits. This is the

period where the “ grounds” for motivation are being set up, and in child development theories is set from birth to 2 years old. (McDevitt & Ormrod, 2006)

Their lively and happy period of development via playing and expanding their social skills, exploration of the world has proved the strong intrinsic drive. (Berlyne, 1960) After this period that ends around six years old, adults start to control them, asking to do things they do not comply with their vision of world. In the next four years of their childhood they understand that need to participate in social life activities, internalize rules and prohibitions. (McDevitt & Ormrod, 2006) That is when conflicts start to arise.

At early childhood period, the optimism related to high expectation on positive result is a main driver. Then mostly due to school and the usage of the grading system, subjectively deteriorating (compared to other colleagues) performance easily kills the optimism, and may turn into apathy resignation due to feeling that it is impossible to fulfill a task. If there is no help around, such individuals would drop the current activity and follow with other. (Leopola, 2000)

Some research has been conducted on understanding the children reading capabilities. The effort of learning to read was taken into closer consideration and it was revealed, that there is a strong relation between motivation and problems with reading. (Poskiparta, Niemi, Lepola, Ahtola, & Laine, 2003)

The study was held amongst 6 years old Dutch children. This level of development was taken as previous ones are more focused on introducing an environment that stimulates language development. Parallel research

was done amongst Finnish children – where educational schemes are different, but with the same result. The quality of school environment has proven to be a strong driver in children motivation and if not managed wisely, may lead to uncontrollable children behavior. (Overtoom & van der Aalsvoort, 2010).

Modern Theories of Motivation

Modern motivational theories were called those theories that have application in current world with current working environments (Yurtseven & Halici, 2012):

Needs Theories – mostly related to Maslow, Herzberg

Goal setting theory – based on assumption that action is affected by set goals (Locke & Latham, 2002)

Reinforcement theory – behavior as a function of consequences (Skinner, 1971)

Equity theory – motivation as an outcome of application of equitability and inequitability (Adams, 1963)

Expectancy theory – rewards do increase extrinsic motivation, but at the same time stimulate the increase of creativity (Vroom, 1964)

During analysis of motivation theories, Yurtseven and Halici (2012) concentrated on idea of “ Job Satisfaction” as a result of the above mentioned.

Elaborate a little bit more on current theories – Joseph, should I?.

Basic needs as represented in different works

The Maslow's Hierarchy Of Needs (Maslow, 1943), by identifying the most important needs and ordering them by their strength and importance set the frameworks for other theories. Next need cannot be satisfied unless the previous one is not somewhat satisfied. The order of needs, suggested by Maslow was following (from most important, to least): Physiological, Safety/Security, Social/Affiliation, Esteem, Self-Actualization.

Overview of literature on extrinsic and intrinsic motivation

The early years of motivational literature in psychology were strongly related to action - reaction mechanism, developed at the beginning of the century (Pavlov, 1927) that later was followed with " Little Albert" - an application of Pavlov (1927) findings on human, that gave the foundation of the behaviorism. (Beck, Levinson, & Irons, 2009) Behaviorism was developing in line with Maslow, trying to explain actions by natural tendency for survival. (Hull, 1943) On the other end was Skinner (1953), with approach that any individual is in pursuit of leisure and pleasure and is avoiding unpleasant actions and results. (Skinner, 1953)

The observations led by White (1959) under the conditions of limited extrinsic motivators, have proven, that subjects tended to fulfill challenges and taking activities just for the sake of them. (White, 1959) The lack of the reasonable explanation of non-extrinsic factors led to formulation of the bipolar theory by introducing intrinsic motivations.

The bi-polar explanation soon became not sufficient in the way it described motivation. Along with increased understanding of the intrinsic and extrinsic factors, missing link called Self-Determination Theory was formulated. The problem of insufficient explanations delivered by bi-polar theory was firstly approached in 1970. (Lepper, Greene, & Nisbett, 1973) As already stated, the theory itself is deeply rooted in empirical experiments (dating back to Maslow and Pavlov), but the central theorem states that there are two drivers for motivation, and the existence of them may be excluding and directly affecting final results. It was proved in series of experiments held by Deci, that introduction of monetary reward as a form of extrinsic motivation does diminish the intrinsic motivation; in the end, negatively affecting the final results. (Deci E. , 1971) (Deci E. , 1975) (Deci & Ryan, 1985) (Deci & Ryan, 2000) I know that multiple works should be in one parenthesis - will be corrected manually.

Ryan and Deci approached the problem by analyzing intrinsic motivation and introduced so called organismic point of view. The key point in understanding some of the human behaviors lies in observation that we are actively influencing environmental forces - rather than simply passively accept status quo. This placed the solid grounds on the theory by defining four fundamentals: the intrinsic part drives the right to have a free choice - and to make it; people desire to master the environment; different levels on intrinsic motivation are result of influencing three aspects of behavior: non-contingent (informational), contingent (controlling), inhibitive (amotivating); it is " we" that define and interpret the meanings of events. (Deci & Ryan, 1985).

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Overview of literature on functional fixedness

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