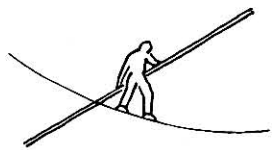




Magnitude
(size of reward)



Valence
(importance of reward)



Expectancy
(likelihood of attainment)

Components of extrinsic motivation

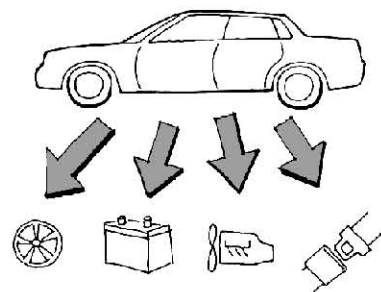
Most employees want to do good work.

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Workers may be motivated extrinsically or intrinsically. **Extrinsic motivation** derives from anticipation of external reaction, including praise, recognition, money (positive motivators), or punishment (negative motivator). Both positive and negative motivators have advantages and drawbacks: Positive motivators can lead workers to expect additional rewards for merely doing their jobs, while negative motivators may help get a task done but usually have a detrimental effect over the long run.

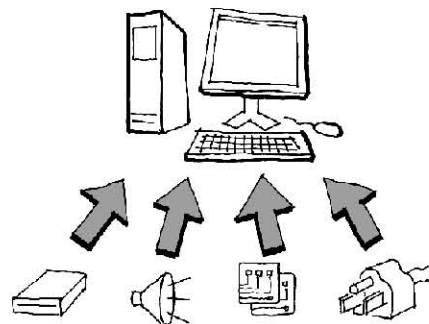
Intrinsic motivation comes from a worker's internal sense of purpose, personal enjoyment of the work, and satisfaction of a job done well. Intrinsic motivation can be furthered by employers by designing jobs to best suit employees, aggregating tasks in appealing ways, enlarging worker responsibilities, and increasing employee control over their own duties.

Top-Down
Example: U.S. auto industry



Manufacturers dictate design and production to suppliers.

Bottom-Up
Example: computer industry



Inventors, manufacturers, and suppliers create/provide components; other manufacturers select and bundle them into larger products.

Top-down and bottom-up

Top-down models of production and management are authority-based: The flow of information and processes originates in and is controlled by the upper tiers. They work best when a company's products and services are similar to those that were previously successful, when the upper tiers possess expertise or resources the lower tiers do not, and when the cost of mistakes by inexperienced staff would be prohibitive. Top-down models can be predictable and efficient, but also can become locked into outmoded habits.

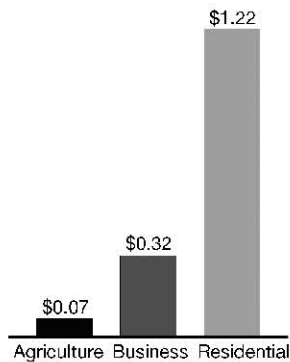
In **bottom-up models**, information and processes originate in the lower tiers, usually in an open-ended, ad hoc manner. Bottom-up can work well in industries that are relatively new, in situations where the lower tiers possess unique expertise or resources, and when the cost of errors is not prohibitive. Bottom-up models often generate alternatives that top-down models cannot, but can also be chaotic and inefficient.



The party that cares less about the outcome of a negotiation is in the stronger negotiating position.

There is no stronger position at the negotiating table than indifference—to be able to walk away without negative consequence. This is not to say that a walk-away strategy is the best in every circumstance or over the long run; one can win many individual negotiating battles but lose a larger negotiating effort by alienating those with whom business could otherwise have been done in the future.

Win-win negotiating aims to satisfy both (or all) parties in a negotiation by employing meta-strategies: What is the next higher level of thinking that will give everyone what they want? Are the needs of the parties truly at odds with each other? Do the individual parties really know what is most important to them? Are they holding on to the things that are truly to their benefit, and willing to let go of the things that are not?

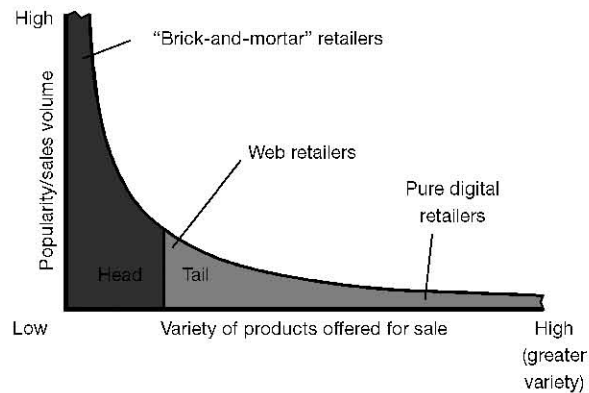


Amount spent by municipalities on services (water, sewer, roads, police, etc.) for every \$1.00 received in tax revenue

Source: The Garreau Group

Business development can save municipalities money.

Although considered undesirable in some bedroom communities, business development is more cost effective for municipalities than a comparable level of residential development. Businesses typically pay higher real estate taxes than residents do, while demanding far less in services.



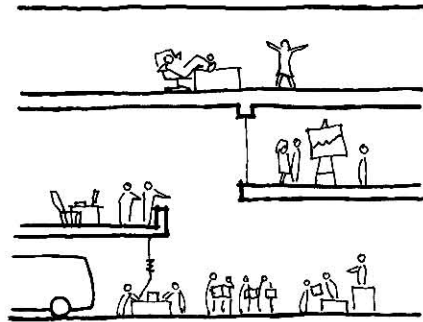
Long tail retail model

With regards to Chris Anderson

The Internet encourages a long tail business model.

Traditional retail stores have limited and rather expensive floor space, and thus stock a comparatively narrow range of items that they sell in large amounts to a local, relatively small customer base. In a long tail model, a business does the opposite: It sells a very wide range of items, each in comparatively small amounts, to a large customer base, often over a very wide geographic area. Online retailers often take a long tail approach because they can be located in low-traffic, inexpensive areas where it is affordable to warehouse slow-moving items.

Digital retailers—those selling purely digital products over the web—require effectively no warehouse space, allowing them to stock obscure, extremely low-selling items with almost no inventory cost.



The higher one rises in an organization, the more one must be a generalist.

At the lower levels of an organization, employees usually have direct knowledge of specific activities. Production employees, for example, know how to handle materials, assemble products, test performance, and troubleshoot very specific problems. However, they may know little about other activities of the company.

A manager often lacks such specific knowledge but has generalized understandings of personnel, training, motivation techniques, evaluation, product distribution, compensation, and budgeting. A vice president will be engaged in still broader activities across more areas of the company, including long range planning, product development, financing, and strategic direction. At the highest executive levels, officers and board members may be concerned with the philosophical direction of the company, the organization's mission, and the meanings of the company's brand in the market.