Strategic Management Theories

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Abstract

Introduction-The goal of this literature review is to compare and contrast contemporary strategic management theories. Additionally, the secondary goal is to evaluate the implications for strategic information technology management. Management of people is the direct control of human motivation and behavior. Human motivation, like behavior is complex, and a science unto itself. Human motivation theory seeks to understand human motivations, and therefore understand human behavior to a level such that predictions can be made. The study of human motivation has a background or base in physiological, behavioral, cognitive, and social sciences. However, those existing disciplines are not sufficient alone or combine to study this complex topic. The behaviors linked to human motivation are linked to very evolutionarily basic aspects of our biology, despite the advanced cognitive abilities of man. The ability to predict human motivation and behavior is very important to companies and organizations as they are always seeking new strategies to motivate and respond to the needs of their employees.

Index terms—

1 Introduction

he goal of this literature review is to compare and contrast contemporary strategic management theories. Additionally, the secondary goal is to evaluate the implications for strategic information technology management. Management of people is the direct control of human motivation and behavior. Human motivation, like behavior is complex, and a science unto itself. Human motivation theory seeks to understand human motivations, and therefore understand human behavior to a level such that predictions can be made. The study of human motivation has a background or base in physiological, behavioral, cognitive, and social sciences. However, those existing disciplines are not sufficient alone or combine to study this complex topic. The behaviors linked to human motivation are linked to very evolutionarily basic aspects of our biology, despite the advanced cognitive abilities of man. The ability to predict human motivation and behavior is very important to companies and organizations as they are always seeking new strategies to motivate and respond to the needs of their employees. This in turn makes the organization more efficient and can increase profits or success. Human motivation theories or strategies can be classified in one of several types: humanistic motivation, arousal motivation, instinct motivation, incentive motivation, or drive motivation. Each category of motivation theory or strategy presents value as well as challenges. In the overall process of increasing job satisfaction and commitment within the IT department, human motivation is necessary, but choosing the most appropriate strategy is difficult. Therefore, each human motivation theory or strategy must be researched and examined in detail to understand the value and individual challenges presented. Only then, can the best fit be made and an appropriate human motivation strategy be chosen and applied to the IT department. Additionally any independent challenges that are motivation theory agnostic must also be evaluated and presented as part of the research. This will allow for the creation of a complete human motivation implementation strategy that extends beyond the basics of theory.

2   II.

3   Theories of Motivation

4   Humanistic theories of motivation propose that human motivation and behavior are based on cognitive

Author: Capella University. e-mail: mr_scroggins@yahoo.com function. The principal theory in this category is Maslow's hierarchy of needs, which was discussed briefly in the previous section. Maslow's theory outlines five basic needs: physiological, safety, belongingness or love, esteem, and self-actualization. These needs are presented as hierarchical, meaning that higher needs will not manifest until lower need are met. Physiological needs are the most basic, and include the need for such things are air, water, or food. Security needs include safety and security. Job safety and security are important needs to employees and should be considered when evaluating basic human motivation in the effort to form a motivation strategy within business. Social needs include love and affection, but also belonging. The sense of belonging, or inclusion in groups or projects could be an important factor in job satisfaction and commitment in IT departments. Esteem needs include self-esteem, personal worth, social recognition, and accomplishment. These needs definitely translate to business in terms of salary, promotion, and recognition. Finally, self-actualizing needs are the highest level of needs and are more selffocused, including things like lifetime achievement or just fully realizing ones potential (Maslow, 1943). Can this theory actually be directly applied to business or the IT department? To this point, Cao, Jiang, Oh, Li, Liao, and Chen (2013) write, "With respect to Maslow's hierarchy of needs theory, we found that social needs and self-actualization needs are particularly relevant in capturing the motivations of SNSs." (p. 170). This is core to this research, that a theory developed to study human motivations can be used and expanded to fit a particular subset of humans, that being those within a business or IT department. More than simply adapting the theory or model, but using it to create a human motivation strategy that can be used not only to predict, but also respond to factors like job satisfaction, success, and commitment.

Arousal theories of motivation propose that a person's behavior is linked to a need or desire to increase or decrease their level of arousal. By participating in tasks that are either exciting or relaxing a person is able to regulate their level of arousal. This class of theories would not seem, on the surface, to apply directly to the business or IT environments, but the Yerkes-Dodson law suggests a direct relationship between arousal level and performance. According to the theory, increased arousal, to a point of diminishing return, can improve performance. Also, it suggests that there is an optimal level of arousal or stress that varies T from person to person or from task to task. The theory suggests that this is partially due to stress providing focus ??Yerkes & Dodson, 1908). Using this concept to increase job satisfaction and commitment, however, is a different matter. Increasing performance or focus through the application or reduction of stress by a manager may very well lead to increased performance, but a stressful environment is unlikely to increase job satisfaction or commitment. This is far more likely to lead to an increase in burn out and turn over. This theory is widely used. Palethorpe and Wilson (2011) write, "The Yerkes-Dodson law has been widely adopted in numerous forms." (p. 420). While the concept of arousal may be linked to business and performance, it does not appear to be useful as part of any strategy that would increase job satisfaction and commitment in IT departments unless it is approached from the stress reduction perspective or maintaining an environment where the stress is below the optimal line describes by the Yerkes-Dodson law.

Instinct theories propose that human behavior is based on evolutionary programming, genetics, and heredity. Just like birds migrate based on instinct, humans likewise behave based on instinct according to this idea. According to this theory, all life forms are born with innate, biology based tendencies that favor survival. Instincts in this case are behavior patterns that are not based on learning or experience (Melucci, 2010). "Instinct theory proposes that organisms engage in certain behaviors because they lead to success in terms of natural selection. Instinct theory casts motivation as essentially intrinsic and biologically based. Migration and mating are examples of instinctually motivated behavior in animal." ??Melucci, 2010, p. 232) While it can be clearly shown that lower animals engage in instinctive patterns of behavior, this is difficult to show in humans, due to the difficulty in separating these supposed instincts from learned behavior or actions based on life experience. Humans do have observable instincts, such as the suckling instinct, or the instinct to hold your breath under water. The challenge for this research is how this theory can be used to analyze job satisfaction and commitment in IT departments. Complex behaviors like the tendency to stay with a company or leave may be difficult to tie directly to instinct. To be classified as an instinct, a behavior must be shown to exist as a pattern within an entire species, however most psychologist view human behaviors as being rooted in both physiological and psychological factors (Myers, 2011). So while instinct may exists in humans and have some control over behavior, is not significant enough. Neither has it been sufficiently shown to be the driving force such that a human motivation strategies could be built based on instinct for business purposes. While such factors as safety and security might have a biological origin and have a role in job satisfaction and commitment in IT departments, the Instinct theory of motivation is simply not a logical tool for this type of research.

Incentive theories of motivation suggest that human motivation is connected to rewards. One example of a reward that is directly linked to business is the motivation to work in exchange for the reward of a paycheck. Additionally, the theory is expanded to take reinforcement into account, in other words after the cycle of work

and pay is repeated a number of times the motivation will be stronger. To apply this in principle, a reward would be given after a desired action occurred assuming that because of this the behavior would be repeated. This would associate positive meaning to the behavior. Repetition of this action and reward cycle would, according to the theory result in the concept of reinforcement and form a habit. Incentive theory can be further divided into two sub categories: intrinsic incentive motivation theory and extrinsic incentive motivation theory motivation. In intrinsic incentive motivation theory, motivation is theorized to come from one's own self. In extrinsic incentive motivation theory, motivation is theorized to come from an external source or person. The incentive theory of motivation is supported directly by the work of B.F. Skinner, where he stresses the importance of external influence. Skinner suggests that if a person's actions are received positively by others, that those actions are likely to be repeated. The opposite is also proposed that negative reception will likely lead to that behavior not occurring again **??**Skinner, 1978). The link between motivation and pay is also very strong. Kunz and Quitman (2011) write, "The relationship between extrinsic incentives and intrinsic motivation has attracted much debate over the last decades. Most of the extant literature focuses on the effect of different types of incentives, particularly the role of monetary rewards for intrinsic motivation." (p. 55). The overall concept of the incentive theory of motivation appears to provide a good theoretical framework with which to create a concise human motivation strategy for business and the IT department to analyze and increase job satisfaction and commitment in IT departments.

The drive theory of human motivation suggests that behavior is linked to internal desires to reduce tension related to biological needs. This would include eating to reduce the internal stress cause by hunger. This theory is strongest when attempting to account for base biological needs like hunger or thirst, but does not account for such behaviors completely, as it does not explain overeating, which is not directly related to hunger. The drive theory was principally introduced by Clark Hull, and has been further developed over time. As with other theories, the concept of reinforcement, caused by the reduction of stress or drive, is central. Reinforcement increases the likelihood that the same behaviors will continue to manifest (Hull, 1935). "In order to survive in its environment, an organism must behave in ways that meet these survival needs. When survival is

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in jeopardy, the organism is in a state of need (when the biological requirements for survival are not being met) so the organism behaves in a fashion to reduce that need." **??**Hull, 1935, p. 491) This theory has been criticized for not identifying or accounting for secondary contributors or reinforcers of behavior. Also, many people participate willingly in activities that increase stress, such as dangerous activities like fighting or racing. This theory's lack to completely explain behavior makes it an unlikely candidate for use in this motivation research. There is very little or nothing at all from this theory that can be used to build a complete human motivation strategy to analyze or to increase job satisfaction and commitment in IT departments. The only obvious value to this theory is the place in history as a theory that was used to develop other theories, such as Maslow's hierarchy of needs, the principle humanistic theory of human motivation, which emerged as an alternative to Hull's theory.

6 III. Success Factors of Motivation Strategies

Motivation can be defined as an innate or internal condition that encourages or causes a person to act. This action is called behavior, and this behavior is often repeated in patterns called habits. The study of human motivation seeks to define and uncover this, while human motivation strategies are defined to control it. There are many factors and challenges in creating a successful human motivation strategy. Something that qualifies as both is making sure that any particular human motivation strategy is based on a solidly supported theory of human motivation. In the case of this research, the incentive theory of human motivation is well supported and exemplifies the theoretical basic of a complete human motivation strategy and overall research strategy. In the case of using the incentive theory, the strategy employed must address incentive. One major incentive related to job satisfaction and commitment in IT departments is pay or compensation. The core motivation theory will help to identify why this factor is important. In other words, does having financial security satisfy base or biological needs and create an employee that is stress free and can commit to the organization? Another factor in developing a complete human motivation strategy is accounting for all of the factors that affect motivation, beyond those identified by the core theory of human motivation used. Achievement is an important factor to consider and measure. Other factors include appreciation, freedom, management style or pressure, environment, social interaction, flexibility, access to technology, growth opportunity, and clear goals among many others. Any complete human motivation strategy must address all of these factors that affect the interaction between the business and the employee, but especially those that directly affect job satisfaction and commitment.

Job satisfaction is a very complex concept that represents a level of satisfaction with one's job or employment. Satisfaction is based on a multiple factors that will vary on a person by person basis. This is a very qualitative concept and relies on personal feelings and opinion to represent or collect data on. This may vary significantly between person of different age, gender, profession, geographic location, etc. Although job satisfaction is a multifaceted concept, the aspects of job satisfaction can still be linked to basic human motivations. Researchers divide job satisfaction measurements into two categories: affective job satisfaction, or cognitive job satisfaction.

Feelings about the job describe affective job satisfaction, while thoughts about the job describe cognitive job satisfaction. It is also to differentiate between job satisfaction and job performance or job commitment. Studies indicate that there is no direct relationship between these concepts. A person may be motivated to perform a task by any number of factors and still not be satisfied with needing to do it. Likewise, a person may be very satisfied with their job and not perform to the level expected by management. Furthermore neither of these, job satisfaction or performance, directly relate to commitment. Therefore it is a very complex relationship between the factors of job satisfaction and the motivations that influence job performance and commitment that provide the complete picture. Ram (2013) writes, "In this age of specialization, motivating a worker and providing him with the much needed job satisfaction is extremely important to enable him to realize his true potential and worth to the organization. It is therefore important to explain the relationship between job satisfaction and job performance." (p. 16). The research suggests that there are four main influences that combine to contribute to satisfaction, performance, and commitment: environment, communication, employee recognition, and aspects of the individual. The aspects of the individual can be further broken down into the following: emotion, genetics, personality, and psychology. The complex challenge that organizations face in trying to increase job satisfaction and commitment in IT departments is to develop a strategy that addresses all of the influences. Fortunately these challenges can be mitigated with the use of one of several established job satisfaction and commitment models.

IV. facets. Changes to any facet of satisfaction can improve or reduce job satisfaction. The model also suggests that a person will most likely value one facet of their job more than the others. For any detailed and accurate analysis of job satisfaction, you must identify what job factor is important (Locke, 1976). This could be done through a survey question. Carmeli, Elizur, and Yaniv (2007) write, "Facet analysis provides an important tool for researchers to understand the structure of work commitment. The multifaceted approach employed in this study enabled the designing and empirical testing of a structural definitional framework of work commitment." (p. 638). Identifying and responding to the individual facets of job satisfaction is important and is a challenge in trying to increase job satisfaction and commitment in IT departments. Therefore it must be incorporated into the organizational strategy.

7   Job Satisfaction Models

The dispositional approach is another job satisfaction model. Like the affect theory, the dispositional approach suggests that job satisfaction is based largely on the individual. The theory also suggests that job satisfaction tends to be stable in an individual over their entire career. This, per the theory, suggests that people have an innate disposition and a tendency to maintain a particular level of job satisfaction. The dispositional approach suggests that there are four self-evaluations that determine job satisfaction: self-esteem, self-efficacy, locus of control, and neuroticism (Staw, Bell, & Clausen, 1986). Zhai, Lindorff, and Cooper (2013) write, "Examining the mechanisms underlying dispositions and job satisfaction are important, as they attempt to explain how and why dispositions affect job satisfaction and to what extent theories such as the dispositional model of job satisfaction are supported empirically." (p. 543). While the dispositional approach has support and merit, the focus may be too limited to individuals, however, a model focused on the individual alone might be well suited for a research study using a survey instrument. This model may serve as a model to analyze job satisfaction and commitment in IT departments.

Equity theory is based on the idea that a person balances input and output and seeks an equitable relationship, to which job satisfaction is based. According to the theory, a person will balance the things gained with the things given and make up a ratio. They will then compare their ratio to what they perceive someone else's is to decide if they think that they are being treated equitably. This equity is subject to change as well, if the parameters change. In other words if the person being compared against gets a raise, there will be an imbalance. The theory identifies three types of people: benevolent, equity sensitive, and entitled. The benevolent person is satisfied even when under rewarded. The equity sensitive person believes that everyone should be rewarded equally. Finally, the entitled person believes that they are due anything that they receive and more (Adams, 1965). This shows a potential connection between the perception of inequity and effort or commitment. Khalifa (2011) writes, "Research has been consistently showing a positive relationship between perception of equity and job satisfaction." (p. 130). This path of study or research has potential for uncovering factors that affect job satisfaction and commitment in IT departments. In terms of using a survey instrument, this model would suffice, provided the participants can be grouped according to their equity sensitivity level.

Discrepancy theory relates job satisfaction to anxiety. When performance and achievement are not met, anxiety builds up. Over time, an individual will learn the aspects of their job. When they fail to perform an aspect correctly, punishment is often the result. This understanding of punishment for failure results in agitation when obligations and responsibilities are not met. Also, if the obligations and responsibilities are met, then rewards like praise or approval are expected. Where the employer has real impact on job satisfaction, according to this is when the opposite employer reaction is present. In other words, if the obligations and responsibilities are met by the individual and punishment is given, job satisfaction will be negatively impacted (Higgins, 1987). Explaining the theory, Siddiqui and Saba (2013) write, "It means that if the actual outcomes of the employees are matched with the expected outcomes then their satisfaction level would be high but if the actual outcomes are lower than the expected one then the satisfaction level will be low." (p. 42). This concept may be difficult

226 to factor into this research on job satisfaction and commitment in IT departments within the parameters of a
227 survey instrument.

228 The two-factor theory, also called the motivatorhygiene theory, is a job satisfaction model created by Frederick
229 Herzberg. According to the theory, job satisfaction and dissatisfaction are driven by different factors: motivation
230 and hygiene. Motivations, in this case are things like recognition, promotion, raises, challenging work, etc.
231 Hygiene, in this case means working conditions, company policies, supervisory action, job security, fringe benefits,
232 etc. This theory suggests that to improve perceptions of job satisfaction, employers must focus on both aspects
233 of motivation and hygiene. This means understanding which category a job factor exists in, whether it leads to
234 satisfaction or dissatisfaction, and responding accordingly. This could be thought of as ensuring that an employee
235 is satisfied, while at the same time, ensuring that they are not dissatisfied (Herzberg, 1964). In explaining the
236 theory in detail, Tillman, Smith, and Tillman write:

237 The theory posits that hygiene factors must be present in the job before motivators are used to stimulate the
238 individual. Thus, motivators are unavailable for use until the hygiene factors are in place. **??**erzberg While this
239 theory has complexity, it also has a solid foundation to support research on job satisfaction and commitment in
240 IT departments and serve as a model with which to build a strategy upon.

241 Finally, the job characteristics model is a widely used framework for studying job satisfaction. The job
242 characteristics model, proposed by Hackman and Oldham, provides five core job characteristics: skill variety,
243 task identity, task significance, autonomy, and feedback. These characteristics in turn impact three critical
244 psychological states: experienced meaningfulness, experienced responsibility for outcomes, and knowledge of
245 the actual results. These psychological states further influence four outcomes: job satisfaction, absenteeism,
246 work motivation, and performance. The model provides a method for combining these elements to calculate
247 a motivating potential score, or MPS, for any job. This score then predicts how likely a jobs is to impact
248 an individual's satisfaction and performance based on attitude (Hackman & Oldham, 1976). Michailidis and
249 Dracou (2011) expand on the theory, "The Job Characteristics Model suggests that high internal motivation can
250 be promoted by designing jobs that include the five core job characteristics -Skill Variety, Task Identity, Task
251 Significance, Autonomy and Feedback." (p. 228). Real potential exists with using the job characteristics model,
252 not only in researching job satisfaction and commitment in IT departments, but also in producing results that
253 can properly align jobs to maximize satisfaction and commitment.

254 V.

8 Conclusion

256 In conclusion, after researching many human motivation strategies and job satisfaction models, many options
257 are available for any potential research into how they link directly to management. While much of the research
258 sources are older, this is because these sources are seminal, and core to the research. However, beyond simply
259 facilitating easy research, the true desire is to produce research results that have an impact on IT departments.
260 To do this requires the correct components as the basic for the overall research strategy. The best theories to do
261 this based on the research are the job characteristics model combined with the incentive theory of motivation.
262 These two theories are complementary and should correspond together well as part of the overall research plan
263 and strategy. After analyzing the research, a gap emerges. Unlike other fields of study, no unified theory of
264 job satisfaction was discovered. This unified theory of job satisfaction would be an important development in
265 understanding job satisfaction and how to use that to develop a proper management strategy. [1] [2]

Figure 1:

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