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MOTIVATION AND INCENTIVES IN THE LOW INCOME LABOR FORCE

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Introduction

Our perception of reality is often distorted by beliefs which have no empirical validation. Not only is this true of people in general but also of social scientists. The search for truth is influenced by tradition, by one's environment, and by personality. If these influences are not controlled, they can lead to systematic biases in research and, thus, to faulty knowledge which culminates in inappropriate policies and programs.

A need still exists for empirical substantiation of some of the behavioral assumptions concerning the low income labor force. Specifically, theories about the motivation of low income people and their response to incentives could bear more careful scrutiny.

In the earlier part of the 1960's the consciousness of America's social scientists was forcibly oriented to the problem of poverty in America. Popular publications sketched startling portraits of misery and deprivation in an economy whose gross annual output was over one-half trillion dollars.

Furthermore, the realization that the incidence of poverty did not appear to be yielding rapidly to the munificence of the invisible hand led to even more serious concern about the problem.

Several theories have been advanced to explain poverty in an affluent economy. They can be categorized as either individual or systemic in their emphasis. Poverty is seen to be caused by an inadequate response on the part of certain individuals to the incentives of the system. This is the hypothesis most popular with laymen.

Social scientists, of course, advanced more sophisticated hypotheses. Their analyses tended to be more oriented to systemic causes -- causes having their origin in a social structure larger than the individual. A relatively small group of social scientists hypothesized that the larger socio-economic system had institutionalized the means of entry into "the system," and that the criteria for entry arbitrarily excluded certain groups of people from participating in the more remunerative occupations and economic activities.

The majority of social scientists perceive another reality -- the reality of the subculture of poverty -- in which poverty is seen as the result of a self-perpetuating social system whose institutions and values preclude its members from responding to the incentives of the affluent society. For example, in describing some of the attributes of the poor, Frank Riesmann says"

While desiring a better standard of living, he is not attracted to a middle-class style of life, with its accompanying concern for status, prestige, and individualistic methods of betterment. A need for "getting by" rather than "getting ahead" in the self-realization and advancement sense is likely to be dominant. He prefers jobs that promise security to those that entail risk.
He does not want to become a foreman because of the economic insecurity resulting from loss of job seniority (emphasis mine) [5, p. 75].

Lola M. Irelan and Arthur Besner summarize the four distinctive themes peculiar to lower-class behavior as: "fatalism, orientation to the present, authoritarianism, and concreteness [3, p. 24]. They stress the fact that the poor manifest "a persistent tendency to think in terms of the present rather than the future [3, p. 24].

Finally, according to Louise G. Richards:

Among the traits or values that are said to dispose the poor to behavior different from the middle and upper classes are: an attitude of fatalism; a preference for immediate gratification of impulses; a low level of aspiration and low need to achieve; an unclear view of the higher social structure; a concrete style of thinking; an overconcern with security [4, p. 59].

Analysis frequently leads to policies and programs, and one type of program implemented in the latter part of the 1960's emphasized job training and the creation of jobs for the "hard-core" unemployed. The central aim of these programs, to create stable employment for the poor, has often been frustrated. The lack of motivation of the poor is often cited as the underlying reason behind these failures.

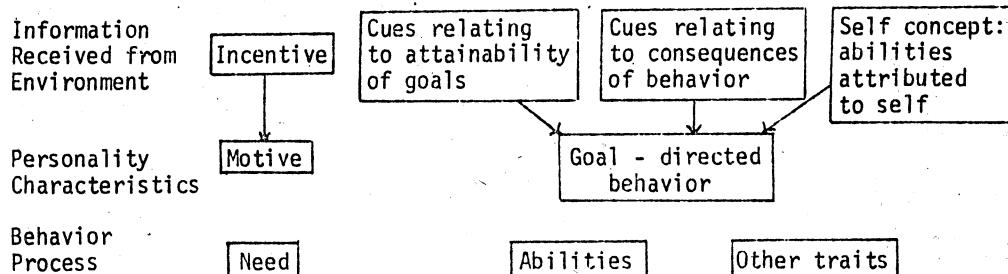
Implicitly, the theoretical considerations of social scientists have lent credibility and acceptability to the general belief that either personal inadequacy or the stultifying web of the culture of poverty is the underlying cause of the failure of these manpower development programs. Yet there is a lingering doubt, at least in the minds of some social scientists, that these hypotheses need empirical verification.

This study attempts to examine empirically the hypothesis that low income people differ from the middle class in their behavioral patterns in that they have ". . . an attitude of fatalism; a preference for immediate gratification of impulses; a low level of aspiration and low need to achieve; . . ." [4, p. 59]. By implication, we should be able to gain some insight into the question of whether institutions are failing the poor or whether the poor are failing the institutions.

Motivation, Incentives and Human Behavior - A Perceptual Framework

The model below captures the basic elements of human behavior. It is a model which is fairly well accepted by industrial psychologists and other social scientists.

Model of Human Behavior [1, p. 26]



This model of human behavior is partially self explanatory. However, some explanation of the inputs into and the processes of human behavior is essential.

Abilities are tools which an individual employs in the fulfillment of his needs. Motivation is the determinant of the extent to which he employs his abilities to satisfy his needs. Motivation does not alter an individual's capacity for work. However, it raises or lowers the level of effort. For example, in a work situation, a person who is trying to give his best is a highly motivated worker, regardless of his actual level of output. Consistently high production occurs when there is an optimal combination of personal factors, work factors and environmental factors.

Motives and Incentives

An incentive is the outward stimulus which activates a need or brings the motive to work [1]. The need only results in useful behavior in the presence of appropriate incentive. How can management elicit appropriate worker behavior? According to Harrell:

For the management, it is easier to improve worker behavior by presenting more effective incentives for his existing needs rather than by attempts to modify the needs of the worker . . . [2, p. 267].

Most studies on motivation of industrial workers concentrate on studying incentives and their efficacy. By the same token, job turnover may be studied by analyzing the incentive system and its efficacy.

Why People Work

People work for a variety of materialistic and non-materialistic reasons. Work satisfies biological, social, and ideological needs. Man not only works to provide

himself with food, shelter, and other material needs, but also to maintain his social position, prestige, and power. People also work to enhance their self respect and to develop themselves by doing certain worthwhile tasks.

Hierarchy of Needs and Incentives

Generally speaking, psychologists have accepted the idea that needs are arranged in a hierarchical pattern. The biogenic needs such as hunger, thirst, sex, etc., constitute the basic structure of human motivation. The acquired or derived needs constitute the superstructure only. The hierarchical pattern of human needs leads to a hierarchical pattern in incentives and the ability of incentives to activate motivation. If one need has been fulfilled, it loses some of its power to motivate the individual.

Ganguli conducted a study among university teachers. Among other things, he studied the ranking of ten incentives by the subjects according to their needs. He obtained these results [1, p. 29].

<u>Incentive item</u>	<u>Mean ranks showing order of importance</u>		
	<u>Asst.</u>	<u>Prof.</u>	<u>Lecturer</u>
Adequate income	1	1	3
Congenial work groups	3	5	5
Opportunity for advanced training	2	3.5	1
Opportunity for promotion	5	3.5	2
Competent and sympathetic superior	4	2	4

Industry generally offers positive incentives such as pay and negative incentives such as reprimands. However, it is important to recognize that the different rewards associated with a particular job do not have the same incentive value for every worker. In order to better motivate its workers, management should understand the importance of the various incentives to the employees.

The Study

Our sample consisted of 230 program aides in the Expanded Nutrition Education Program in the state of California. The ENEP program is a federally funded nutrition education program aimed at the low income community and administered through the Agricultural Extension Service.

The aides are regarded as paraprofessionals. They are indigenous members of the communities in which they work, and for many, this job opportunity represents their first permanent position. Aides are hired, trained, and supervised by the local Extension home economist. The aides' work consists of educating low income homemakers in the rudiments of nutrition. Most of their work is on a one-to-one basis.

Aides are hired at \$2.77 per hour and can advance to a \$3.36 maximum in five steps which take about three and a half years. At this point, they arrive at an occupational cul-de-sac. The prospects for upward mobility are virtually nonexistent.

A survey questionnaire was administered to the aides by one of their peers. The questionnaire was then mailed to the researcher. The methodology of analysis was rather rudimentary, consisting mainly of tabulation of responses broken down by age, educational level, and other demographic characteristics. Future studies can utilize more sophisticated methodological tools. For our present purposes, the simple tabulations and cross tabulations were considered ample.

Findings

Workers were not basically dissatisfied with their rate of pay. In Table 1, it is shown that when asked to compare the ENEP pay scale with other jobs for which they were qualified, only 10.4 percent of the aides thought ENEP paid less.

Table 1. Comparison of ENEP Pay to Other Comparable Kinds of Employment

<u>Total Responses</u>	<u>Less</u>	<u>More</u>	<u>the same</u>	<u>Don't know</u>
percent				
230	10.4	28.3	31.7	29.6

Table 2 summarizes the morale factor, i.e., how aides perceive the need for and effectiveness of the program. When asked whether the ENEP program can (1) make a big difference, (2) make some difference, (3) make no difference to program families, they responded as follows:

Table 2. How Aides See Need for the Program

<u>Total Responses</u>	<u>Make a big difference</u>	<u>Make some difference</u>	<u>Make no difference</u>
percent			
229	62.0	36.2	1.8

Less than 2 percent felt the program was useless, and 62 percent felt the program had a significant impact.

In an effort to assess aides' preferences for present versus future payoffs, they were asked to select from one of four choices to indicate their priority choices of incentives. The choices were (1) more pay, (2) more hours but same pay rate, (3) better chances for moving up, (4) better educational opportunities. Table 3 summarizes the results.

Table 3. Incentive Needs of Aides

<u>Total Responses</u>	<u>More pay</u>	<u>More hours at same rate</u>	<u>Better chance for moving up</u>	<u>Better educational opportunities</u>
percent				
192	15.6	19.3	30.7	34.4

Age and other factors could affect the determination of preferences. Table 4 summarizes the priority choices when they are broken down by age.

Table 4. Percentage Distribution of Responses by Age

<u>Age</u>	<u>More Pay</u> 0/a/ (E)b/ (0-E)	<u>More Hours Same Pay</u>		<u>Better Chances For Moving Up</u>		<u>Better Educational Opportunities</u>	
		0 (E)	(0-E)	0 (E)	(0-E)	0 (E)	(0-E)
20-30	9.1 (15.5) -6.4	9.1 (19.1)	-10.0	50.0 (30.5)	+19.5	31.8 (34.5)	-2.7
31-40	10.7 (15.3) -4.8	20.0 (19.2)	+ .8	29.3 (30.7)	- 1.4	40.0 (34.7)	5.3
41-50	19.2 (15.6) +3.6	24.6 (19.1)	+ 5.5	24.6 (30.5)	- 5.9	31.6 (34.7)	-3.1
51-60	24.3 (15.1) +9.2	16.2 (19.2)	- 3.0	29.7 (30.5)	- .8	29.7 (34.5)	-4.8
61-up	0 15 -15	0 20 - 20		50 30 +20		50 30 + 20	

a/ 0 = observed percentage of responses

b/ E = Expected percentage of responses. This is the percentage we would expect in each category if the distribution of each age group were proportional to that of the total.

Program aides in the 20-30 age group are underrepresented in the "more pay" and "more hours" categories by 6.8 percent and 10 percent, respectively. They are substantially overrepresented in the "better chances for moving up" category by a margin of 19.5 percent.

Aides in the 31-40 age group were more evenly distributed. The disparity between observed and expected is much less than in the younger age group. This group was underrepresented in column 1 by 4.8 percent, slightly underrepresented in the "better chances for moving up" category, but overrepresented by 5.3 percent in the "better educational opportunities" category.

The 41-50 age group emphasize the present. They are overrepresented in columns 1 and 2 together by 9.1 percent and underrepresented in the mobility columns 3 and 4 by 9 percent.

Aides in the 51 -60 age group are overrepresented in the "more pay" columns by 12.2 percent and underrepresented in the "opportunities" columns by 5.6 percent. Age does make a difference. The younger aides place greater emphasis on future opportunities as against more pay. The turnover rate will therefore be higher for the younger aides.

Conclusion

The most significant finding of this study is that in a ranking of incentives, over 65 percent of the low income workers surveyed rated educational opportunities and occupational mobility more important than increased wages. This has theoretical as well as policy implications. Our findings do not necessarily refute the hypothesis that the poor have little motivation to postpone immediate gratification in favour of future rewards. However, they do raise very grave doubts about the validity of such a thesis.

If manpower development programs are to succeed, they must take into account the incentive structure of low income workers. They must recognize that low income workers, like the rest of the labor force, need to perceive the possibility of self realization and job mobility. Denial of educational opportunities and occupational mobility are systemic deficiencies which frustrate the needs of low income workers and lead to excessive job turnover, voluntary unemployment, and the ultimate failure of manpower development programs.

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