

WEEK 6

Basic

Motivation

Concepts



Learning Outcomes

- Outline the motivation process
- Describe Maslow's need hierarchy
- Contrast Theory X and Theory Y
- Differentiate motivators from hygiene factors
- List the characteristics that high achievers prefer in a job
- Summarize the types of goals that increase performance
- State the impact of under rewarding employees
- Clarify the key relationships in expectancy theory
- Explain how the contemporary theories of motivation complement each other

Motivation

- **Motivation** - The process that accounts for an individual's intensity, direction, and persistent effort towards attaining a goal
- **Intensity** is concerned with how hard a person tries
- **Direction** is the purpose the person wants to achieve
- **Persistence** is the endurance of the person towards the direction or how long a person can maintain their effort

Early Theories of Motivation

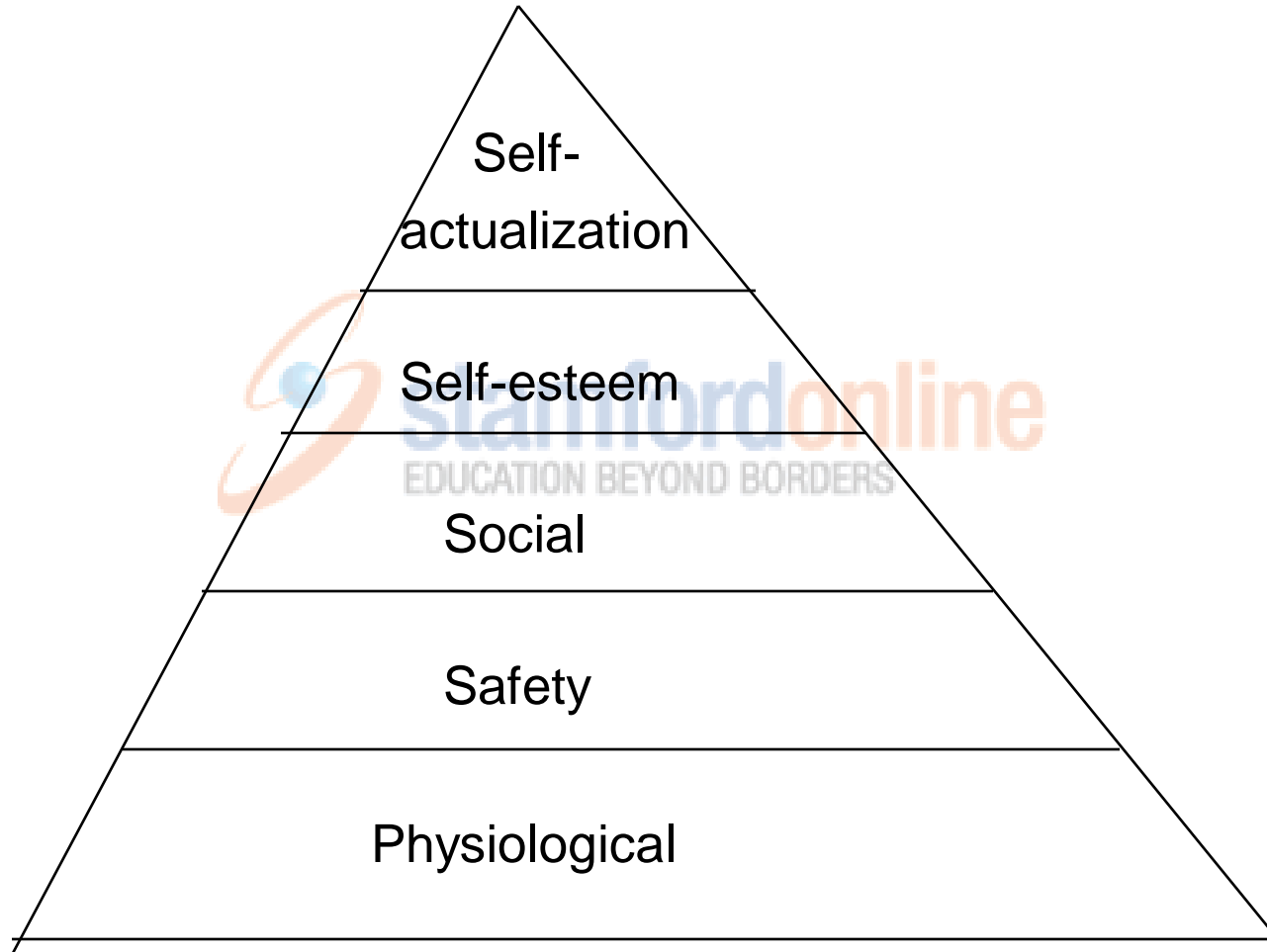
- The 1950s were fruitful period in the development of motivational concepts. Three specific theories were formulated during this period
- We have to know the early theories for at least two reasons:
They represents a foundation from which contemporary theories have grown
There are practicing managers who still regularly use these theories

Hierarchy Of Needs

Maslow's Theory

- **Hierarchy of needs theory** - There is a hierarchy of five needs - physiological, safety, social, self-esteem, and self-actualization
 - ✓ Physiological: hunger, thirst, sex, shelter
 - ✓ Safety: security, protection from bodily and emotional harm
 - ✓ Social: affection, belongingness, friendship
 - ✓ Esteem: self-respect, autonomy, status, recognition
 - ✓ Self actualization - The drive to become what one needs or is capable of becoming; including growth, achieving one's potential, self-fulfillment

Hierarchy Of Needs Maslow's Theory



Hierarchy Of Needs

Maslow's Theory

- **Lower-order needs** - Needs that are satisfied externally; physiological and safety
- **Higher-order needs** - Needs that are satisfied internally, social, esteem, and self-actualization
- The differentiation between the two order needs were made on the premises that higher-order needs are satisfied internally (with the person), whereas lower-order needs predominantly satisfied externally (by things such as pay, union contracts, tenure)
- However, there is little evidence to show that the needs structures are organized along the dimensions proposed by Maslow, that unsatisfied needs motivate, or that a satisfied need activates movement to a new needs level

Theory X And Theory Y - McGregor

- **Theory X** - The assumption that employees dislike work, are lazy, dislike responsibility, and must be coerced to perform
- **Theory Y** - The assumption that employees like work, seek responsibility, and can exercise self-direction
- Assumption Of Theory X:
 - ✓ Employees inherently dislike work
 - ✓ Employees must be controlled and coerced
 - ✓ Employees will avoid responsibilities and seek direction
 - ✓ Employees display little ambition

Theory X And Theory Y - McGregor

- Assumption Of Theory Y:
 - ✓ Employees can view as being at natural rest or play
 - ✓ Employees will exercise self-direction and self-control
 - ✓ Employees can learn to accept, even seek responsibility
 - ✓ Employees make the innovative ideas
- Theory-X assumes lower-order needs dominate individuals whereas Theory-Y assumes higher-order needs dominate individuals
- **Theory-Y assumptions were more valid than Theory-X.** Therefore, he proposed that the organization should seek ideas of participative management and maintain good job relationship with the employees

Two-Factor Theory

- The two-factor theory (also known as motivation-hygiene theory) was proposed by psychologist Frederick Herzberg
- He believed that people relation to work is basic and that one's attitude towards work can very well determine success or failure
- **Two-factor theory** - Intrinsic factors are related to job satisfaction, while extrinsic factors are associated with dissatisfaction
- **Intrinsic factors** - advancement, recognition, responsibility and achievement seem to be related to job satisfaction
- **Extrinsic factors** - payment, salary, supervision, company policy and working conditions

Two-Factor Theory

- According to Herzberg, the factors leading to job satisfaction are separate and distinct from those that lead to job dissatisfaction. Thus, managers who seek to eliminate factors that can create job dissatisfaction may bring about peace but not necessarily motivation
- **Hygiene factors** - Factors such as company policy and administration, supervision, and salary - that, when adequate in a job, placate workers. When these factors are adequate, people will not be dissatisfied
- Herzberg suggested that if the management wanted to motivate the employee, they must emphasize on factors such as promotional opportunity, opportunity for growth, recognition, responsibility, and achievement
- These are the characteristics that people find intrinsically rewarding

Criticism Of Two-Factor Theory

- The criticism of two-factor theory:
 - The procedure of Herzberg is limited by its methodology. When things are going well, people tend to take credit themselves but they blame the failure on extrinsic environment
 - No overall measure of satisfaction was utilized. A person may dislike part of his or her job yet still think the job is acceptable
 - The two-factor theory ignores situational variables
 - He did not relate to the satisfaction and productivity factors

Contemporary Theories Of Motivation - ERG Theory

- **ERG theory** - There are three groups of core needs: existence, relatedness, and growth
- Alderfer argues that there are three groups of core needs - existence, relatedness and growth
- **Existence** - This group is concerned with providing the basic material existence requirement. They include Maslow's theory of physiological and safety needs
- **Relatedness** - The desire to maintain important interpersonal relationship. They align to Maslow's social and self-esteem needs
- **Growth** - An intrinsic desire for personal growth. This relates to the Maslow's self-actualization needs

ERG Theory

- ERG theory does not assume that there exists a rigid hierarchy in which a lower need must be substantially gratified before one can move on
- ERG theory counters by noting that when a higher-order need level is frustrated, the individual's desire to increase a lower-level need takes place
- ERG theory is more consistent with our knowledge of individual differences among people. The variables can be background, cultured environment, education levels, etc

McClelland's Theory Of Needs

- McClelland's theory of needs - Achievement, power and affiliation are three important needs that help people explain motivation
- **Need of achievement (*nAch*)** - The drive to excel, to achieve in relation to a set of standards, to strive to succeed
- **Need of power (*nPow*)** - The need to make others behave in a way that they would not have behaved otherwise
- **Need of affiliation (*nAff*)** - The desires for friendly and close interpersonal relationship
- The high achievers prefer jobs that are high in personal responsibility, high feedback and moderate in risk

Criticism On McClelland's Theory Of Needs

- Different individuals need different factors to be motivated
- High achievers may not be good managers as they are highly motivated by power
- It is arguable to say that a successful manager must be high in need of power (autocratic) and high in need of affiliation (democratic) simultaneously



Cognitive Evaluation Theory

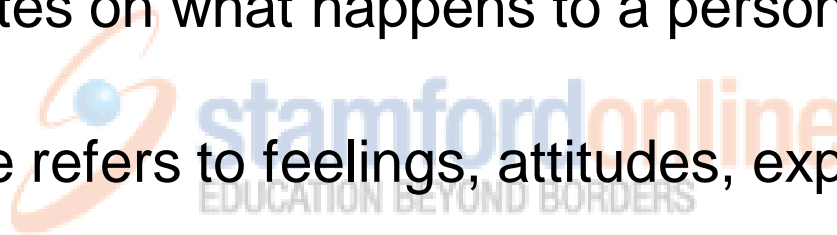
- **Cognitive Evaluation Theory** - Allocating extrinsic rewards for behaviour that had been previously intrinsically rewarding tends to decrease the overall level of motivation
- It is indicated that when extrinsic rewards are given to someone for performing an interesting task, it causes intrinsic interest in the task itself to decline
- For instance, you are paid to work. But if the pay is too low and doesn't motivate you to work 'creatively', you don't tend to put more effort in the job itself

Goal-setting Theory

- **Goal-setting theory** - The theory that specific and difficult goals, with feedback, lead to higher performance
- For instance, an employee will put in more effort when he/she is given an opportunity to participate in decision making and when feedback is provided
- The employees are willing to achieve the goals even if they are difficult goals
- **Self-efficacy** - The individual's belief that he or she is capable of performing a task
- Employees who are strong in self-efficacy will show increase in effort in the job whereas the employees who are weak in self-efficacy will lessen their effort in their job

Reinforcement Theory

- **Reinforcement theory** - Behaviour is a function of its consequences
- Reinforcement theory ignores the inner state of the individual and concentrates on what happens to a person when he/she takes action
- The inner state refers to feelings, attitudes, expectations



Equity Theory

- **Equity theory** - Individuals compare their job inputs and outcomes with those of others and then respond to eliminate any inequities
- This theory suggests that employees like to make comparison of their job inputs (effort, experience, education, competence), and outcomes (salary levels, raises, recognition) relative to those of others
- The employees are trying to compare their outcomes-input ratio with the outcome-input ratio of relevant others

Equity Theory

Ratio Comparison	Perception
$O/IA < O/IB$	Inequity due to being under-rewarded
$O/IA = O/IB$	Equity
$O/IA > O/IB$	Inequity due to being over-rewarded

O/IA represents the employee and O/IB represents relevant others

Equity Theory

- Evidence indicates that the reference chosen is an important variable in equity theory. There are four reference comparison that an employee can use:
 - Self-inside:** An employee's experiences in a different position inside his/her current organization
 - Self-outside:** An employee's experiences in a situation or position outside his/her current organization
 - Other-inside:** Another individual or group of individuals inside the employee's organization
 - Other-outside:** Another individual or group of individuals outside the employee's organization

Equity Theory

- Employees might compare themselves to friends, neighbours, co-workers, colleagues in other organizations or compare their present job with past job
- Based on equity theory, when the employees perceive the inequity, they can be predicted with six choices:
 - change their inputs (don't exert extra effort)
 - change their outcomes (work overtime, creativity to improve efficiency)
 - distort perception of self (convince oneself)
 - distort perception of others (e.g. John is not as good as I am)
 - choose a different reference (e.g. I might not be better than John, but I am better than Emily)
 - leave the field (e.g. quit the job)

Equity Theory

- The theory establishes the following propositions relating to inequitable pay:
 - Payment by time: over-rewarded employees will produce more (high quantity and quality)
 - Payment by quantity: over-rewarded employees will produce fewer (piece-rate payment)
 - Payment by time: under-rewarded employees will produce less
 - Payment by quantity: under-rewarded employees will produce more

Expectancy Theory

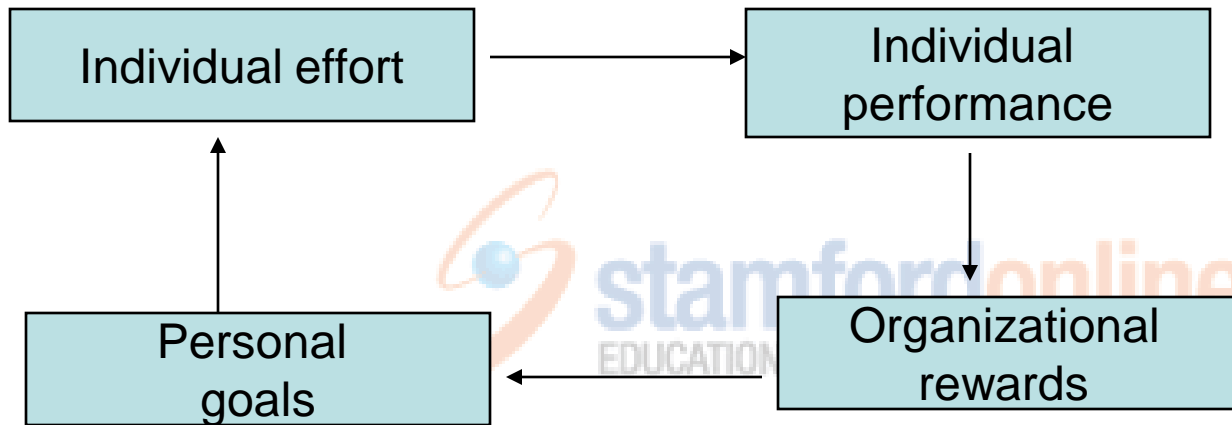
- **Expectancy theory** - The strength of a tendency to act in a certain way depends on the strength of an expectation that act will be followed by a given outcome and on the attractiveness of that outcome to the individual
- This theory says that an employee will be motivated to exert a high level of effort when he/she believes that effort will lead to a good performance appraisal
- That appraisal will lead to organizational rewards such as bonus, salary, promotion which will satisfy the employee's personal goals

Expectancy Theory

- **Effort-performance relationship** - The probability by the individual that exerting a given amount of effort will lead to better performance
- **Performance-reward relationship** - The degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome
- **Rewards-personal goals relationship** - The degree to which organizational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual

Expectancy Theory

- This theory focuses on three relationships:



Argument Of Expectancy Theory

- *If I give more effort, will it be recognized in my performance appraisal?* - No!!, the skills will be deficient!
- *If I get a good performance appraisal, will it lead to organizational rewards?* - Not necessarily. It depends on a variety of factors which lead to the organizational rewards!
- *If I am rewarded, are the rewards ones that I find personally attractive?* - Not necessarily. It depends on many other personal factors, like family background, personal goals, etc.

Ability And Opportunity

- **Opportunity to perform** - High levels of performance are partially a function of an absence of obstacles that constrain the employee
- Way of thinking about employee performance (f)
- Interaction of ability (A)
- Motivation (M)
- Opportunity to perform (O)
- **Performance = f (A M)**
- **Performance = f (A M O)**
- For instance, if the employee has (A) and (M), but he does not have (O), the employee won't be motivated
- However, if the employee is hardworking, the (O) will eventually exist to the employee.



Discuss Questions

- I. Does motivation come from within a person or is it a result of the situation? Explain.
- II. What are the implications of Theories X and Y for motivation practices.
- III. Can an individual be too motivated, so that his or her performance declines as a result of excessive effort? Discuss.