

MOTIVATION PROCESS & THEORIES

MEANING OF MOTIVATION

Some words associated with motivation:

- Desire
- Wants, wishes
- Aims, goals
- Needs and drives
- Motives, incentives

Motivation describes processes, both instinctive and rational, that help people satisfy their basic drives, perceived needs, and personal goals. It triggers human behavior.

For example, if someone is hungry (need), they will seek food (drive) and eat to feel satisfied (incentive).

Motivation:

- Is a process and a drive.
- Is the keenness for a behavior or willingness to work toward a specific reward or goal.
- Arises from needs, drives, or motives – the internal force within a person.

Example: A student (inner drive) works hard to score well in exams (goal) and feels rewarded when they achieve good grades (incentive).

THE MOTIVATION PROCESS /COMPONENTS

Motivation starts with a physiological or psychological deficiency or need that activates a drive, leading to behavior directed toward a goal.

Components of Motivation:

1. **Need:** Created by physiological or psychological imbalance.
 - **Example:** Feeling thirsty (need) when the body lacks water.
2. **Drive:** The deficiency that gives direction and energy.
 - **Example:** Hunger (drive) causes someone to seek food.
3. **Incentive:** Anything that alleviates the need and reduces the drive, restoring balance.
 - **Example:** Eating food (incentive) satisfies hunger.

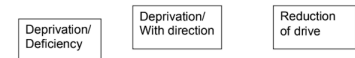
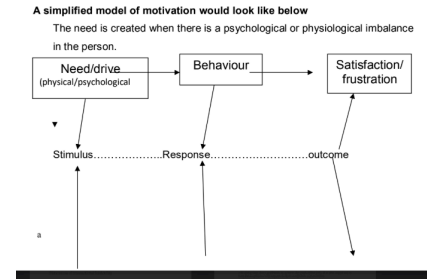
Model of Motivation:

Stimulus → Response → Outcome

1. **Stimulus:** A need or drive (e.g., hunger, desire for friendship).
2. **Response:** Behavior taken to address the need.
3. **Outcome:** Satisfaction or frustration.

Example:

- **Stimulus:** Feeling lonely (need).
- **Response:** Calling a friend (behavior).
- **Outcome:** Feeling happy and connected (satisfaction).



CLASSIFICATION OF NEEDS (Schein's Classification)

1. Rational-Economic Model:

People are motivated by self-interest and maximizing gains.

- **Example:** Employees work hard to earn more money.

2. Social Model:

People are motivated by the need for relationships and belonging.

- **Example:** A team member thrives in a supportive group environment.

3. Self-Actualization Model:

People are motivated by challenges, responsibility, and autonomy.

- **Example:** An employee feels fulfilled by leading a challenging project.

4. Complex Model:

Motivation involves many interrelated factors.

- **Example:** A manager motivates employees differently based on their individual goals (e.g., recognition for one, career growth for another).

CLASSIFICATION OF MOTIVES

1. Primary Motives:

- Physiological/biological and unlearned.
- **Example:** The need for food, water, or sleep.

2. Secondary Motives:

- Psychological and learned.

- **Example:** The need for recognition, belongingness, or power.
-

THEORIES OF MOTIVATION

1. Content Theories: 1950-1960

Focus on "what" motivates people.

- **Examples:**

- Maslow's Hierarchy of Needs.
- Douglas McGregor Theory X and Y.
- Herzberg's Two-Factor Theory.
- Alderfer Expectancy, Relatedness and Growth (ERG) theory.

2. Process Theories: 1960s

Focus on "how" motivation occurs.

- **Examples:**

- Vroom's Expectancy Theory.
- Porter Lawler Performance/satisfaction model.

3. Contemporary Theories: 1961

Reflect modern approaches to motivation.

- **Example:**

- McClelland's Achievement Motivation Model.
 - Stacy Adams equity Theory of work motivation.
-

MCCLELLAND'S MOTIVATION MODEL: contemporary theory

1. Need for Achievement (n-Ach):

- **Characteristics:**

- Competitive, goal-driven, and innovative.
- Highly competitive.
- Moderate risk takers.
- Need for immediate feedback.
- Satisfaction with accomplishment.
- Preoccupied with the task.
- They are dedicated, committed.
- Sometimes unfriendly, braggers.
- Solving difficult and Complex problems.
- Are innovative.
- **Example:** Entrepreneurs thrive on solving problems and achieving goals.

2. Need for Power (n-Pow):

- **Characteristics:**
 - Desire to influence, control others, and gain authority.
 - Need to influence others.
 - Control others.
 - Being in possession of authority.
 - Gaining control Of information.
 - Defeating the opponent.
 - **Example:** Managers motivated to lead teams effectively.

3. **Need for Affiliation (n-Aff):**

- **Characteristics:**
 - Desire for social interaction, belonging, and harmony.
 - Being liked by many people
 - Being accepted as part of a group
 - Working with people who are friendly
 - Maintain harmonious relationship and avoid conflict
 - Participating in pleasant social activities
 - **Example:** A team member enjoys collaborative work.

OTHER NEEDS

1. **Need for Security:**

- Have a secure job
- Be protected against loss of income
- Protection against illness and disability
- Protection against physical harm or hazardous condition
- Avoid task with a risk of failure or blame
- **Example:** Employees value stable jobs and health insurance for a sense of protection.

2. **Need for Status:**

- Having the right car
- Wearing the right clothes
- Working for the right company
- Having a degree from the right university
- Living in the right neighborhood
- Belong to a certain club
- **Example:** Owning a luxury car or working at a prestigious company boosts an individual's sense of status.

- He explained that a person's motivation could be arranged in a **hierarchical manner**.
- **Once a need at a certain level is satisfied, it no longer motivates an individual. The next higher-level need is activated to motivate the person. Once the needs at the lower level are satisfied, those at the next higher level emerge and demand satisfaction.**
- **This progression moves systematically up the hierarchy.**

Five Levels Of Needs In Maslow's Hierarchy

1. Basic or Physiological Needs

- These are the foundational needs essential for survival, such as food, water, air, and shelter.
- **Example:** An employee works primarily to earn a salary that ensures they can pay for food, housing, and utilities.
- **Application:** Employers meet these needs by providing fair wages, meal allowances, and safe working conditions.

2. Safety or Security Needs

- Once basic needs are met, safety needs emerge.
- This involves the need for a stable, threat-free environment, including emotional and physical safety.
- **Examples:**
 - A factory worker values protective equipment and safe workplace protocols (physical safety).
 - An employee seeks job security and a predictable income (economic safety).
- **Application:** Employers meet these needs through:
 - Job security, severance pay, or pension plans.
 - Providing health insurance or safety training.
 - Ensuring an organized and predictable workplace environment.

3. Social Needs (Love and Belongingness)

- After physiological and safety needs are satisfied, the need for social connections becomes a key motivator.
- This includes the need to belong, to be accepted, and to give and receive affection.
- **Example:** An employee feels motivated when they build friendships with colleagues or join social clubs within the organization.
- **Application:**

- Employers can foster social needs by encouraging teamwork, collaboration, and informal social interactions.
- Hosting team-building events or creating welcoming, friendly work environments helps fulfill these needs.

4. Ego or Esteem Needs

- These needs focus on self-esteem and recognition.
- They can be divided into two categories:
 - **Intrinsic Esteem:** The need for competence, achievement, and personal success.
 - **Example:** A software developer feels motivated after successfully solving a challenging problem.
 - **Extrinsic Esteem:** The need for recognition, prestige, and status from others.
 - **Example:** Receiving an "Employee of the Month" award boosts a person's confidence and morale.
- **Application:**
 - Employers can meet esteem needs by offering:
 - Promotions, bonuses, or merit-based pay increases.
 - Job titles that reflect authority or status (e.g., "Manager" or "Lead Designer").
 - Opportunities for employees to take responsibility or lead projects.

5. Self-Actualization or Self-Fulfillment Needs

- This is the highest level in the hierarchy and refers to an individual's need to realize their full potential and pursue self-development and creativity.
- **Example:** A scientist feels self-actualized when working on groundbreaking research that contributes to society.
- **Application:**
 - Employers can meet self-actualization needs by:
 - Providing challenging and meaningful work.
 - Offering opportunities for innovation and personal growth.
 - Encouraging autonomy and creative problem-solving.
 - Self-actualization is a continuous process. As one goal is achieved, individuals set new, higher goals.

Application Of The Theory in real life:

- According to Maslow, people tend to satisfy their needs systematically, starting from basic physiological needs and progressing upward.
- A person dominated by a lower-level need (e.g., hunger) will not be motivated by higher-level needs (e.g., esteem or social needs).
 - **Example:** A hungry person is unlikely to prioritize social interactions or career achievements until their hunger is satisfied.

Modification By Maslow:

Maslow later modified his theory by stating an exception:

- **For self-actualization**, satisfying one need gives rise to further needs for realizing one's potential.
 - **Example:** An artist who achieves creative success might feel motivated to explore new forms of artistic expression.

DOUGLAS MCGREGOR'S THEORY X AND THEORY Y. content theory

Douglas McGregor outlined two contrasting sets of assumptions that managers make about their employees: **Theory X** and **Theory Y**.

Theory X

This theory takes a **pessimistic view of employees** and assumes they are **inherently disinclined to work**.

1. Lazy:

- The average person inherently dislikes work and will avoid it if possible.
- **Example:** A manager believes employees will procrastinate on tasks unless they are strictly supervised.

2. Need for Coercion and Control:

- Employees require strict supervision, control, and sometimes threats of punishment to perform their duties.
- **Example:** A supervisor sets rigid deadlines and constantly monitors workers to ensure tasks are completed.

3. Avoid Responsibility:

- Employees prefer to avoid responsibility and are only motivated by external rewards or fear of punishment.
- **Example:** A manager assumes workers will not volunteer for leadership roles unless offered additional pay or benefits.

4. Little Ambition:

- Employees generally lack ambition and prioritize job security over career growth.
- **Example:** Workers might be seen as content with just meeting minimum job requirements instead of seeking promotions.

Theory Y

This theory takes an **optimistic view of employees**, assuming they are **motivated and responsible**.

1. Work as Naturally and willingly:

- Employees view work as a natural part of life and derive satisfaction from it.
- **Example:** A software engineer enjoys coding, not just as a job but also as a fulfilling activity.

2. Self-Motivation and Self-Control:

- Employees will exercise self-control and self-direction when they are committed to organizational objectives.
- **Example:** A project team works diligently without constant oversight because they believe in the importance of their project.

3. Willingness to Take Responsibility:

- Under proper conditions, employees not only accept but actively seek responsibility.
- **Example:** A motivated employee volunteers to lead a new initiative at work to challenge themselves and grow professionally.

4. Imagination and Ingenuity:

- Employees are creative and capable of solving problems innovatively when given the freedom to do so.
- **Example:** A marketing team brainstorms unique strategies to improve customer engagement without needing strict guidelines.

Real-Life Application

In reality, effective management often requires a **blend of Theory X and Theory Y** approaches.

● **Example:**

- A manager may use a Theory X approach (strict supervision) for routine or repetitive tasks where employees need **clear direction**.
 - Simultaneously, the same manager may adopt a Theory Y approach (trust and autonomy) for employees working on **creative or strategic projects**.
-

HERZBERG'S TWO-FACTOR THEORY– 1959 content theory

- Herzberg conducted a study on about 2,000 accountants and engineers working in firms around Pittsburgh, Pennsylvania.
- He aimed to understand what made employees feel satisfied or dissatisfied with their jobs.

Interview Questions:

1. When did you feel particularly good about your job – **what turned you on?**
2. When did you feel exceptionally bad about your job – **what turned you off?**

Conclusion:

- Certain factors frequently led to job satisfaction, while others led to dissatisfaction.
- Factors that led to **satisfaction** were called **motivators** (satisfiers).
- Factors that led to **dissatisfaction** were called **hygiene factors** (dissatisfiers).

Two Factors:

1. Motivators (Satisfiers)

- Motivators are factors related to the **content of the job** and are **intrinsic**.
- These factors lead to job satisfaction, commitment, and loyalty.

Examples of Motivators:

- **Achievement:** Employees feel satisfied when accomplishing goals or overcoming challenges.
 - **Example:** A software developer feels proud after successfully launching a complex feature.
- **Recognition:** Being appreciated for good work.
 - **Example:** Receiving an "Employee of the Month" award or praise from the manager.
- **The Work Itself:** The nature of the job being engaging and meaningful.
 - **Example:** A teacher enjoys the intrinsic reward of helping students learn.
- **Responsibility:** Taking ownership of tasks.
 - **Example:** A team leader feels motivated by the responsibility of overseeing a project.
- **Advancement and Growth:** Opportunities for professional growth and promotions.
 - **Example:** An employee feels motivated after being promoted to a higher role or attending a career development course.

2. Hygiene Factors (Dissatisfiers)

- Hygiene factors are related to the **context of the job** and are **extrinsic**.
- They do not lead to job satisfaction but prevent dissatisfaction.

Examples of Hygiene Factors:

- **Company Policy and Administration:** Clear and fair company policies.
 - **Example:** An unclear leave policy causes frustration among employees.
- **Supervision:** Quality of technical and managerial supervision.
 - **Example:** Employees may feel dissatisfied if their manager micromanages or fails to provide proper guidance.
- **Salary:** Fair and competitive pay.
 - **Example:** A low salary compared to peers may cause dissatisfaction, even if the job itself is enjoyable.
- **Interpersonal Relationships:** Relationships with supervisors and colleagues.
 - **Example:** Conflicts with coworkers can cause stress and dissatisfaction.
- **Working Conditions:** The physical environment, such as office cleanliness or safety.
 - **Example:** Poor ventilation or unsafe machinery leads to dissatisfaction.

Key Conclusions By Herzberg

1. Job Satisfaction vs. Job Dissatisfaction:

- **Satisfaction** is driven by **motivators** (intrinsic factors, job content).
- **Dissatisfaction** is caused by **hygiene factors** (extrinsic factors, job context).
- **Example:** An employee may feel dissatisfied due to poor working conditions (hygiene factor) but will feel satisfied if their work allows for creativity and recognition (motivator).

2. Hygiene Factors Prevent Dissatisfaction:

- Hygiene factors are preventive; they prevent dissatisfaction but don't improve long-term satisfaction.
- **Example:** Providing a safe and clean office prevents complaints, but it won't necessarily make employees excited about their work.

3. Motivators Drive Positive Satisfaction:

- When motivators are present, employees feel intrinsically satisfied and motivated.
- **Example:** An employee feels fulfilled when given a challenging project with growth opportunities.

4. Hygiene Factors Are Taken for Granted:

- Employees expect hygiene factors (e.g., salary, safe working conditions) as a standard part of the job. Their absence causes dissatisfaction, but their presence doesn't necessarily motivate.

- **Example:** Employees won't feel extra motivated just because they have proper lighting in the office, but poor lighting will lead to complaints.

Real-Life Examples

- **Motivator Example:**

An employee given an opportunity to lead a high-profile project feels motivated because it challenges their skills and helps them grow professionally.

- **Hygiene Example:**

If an employee's paycheck is delayed, they feel dissatisfied. Timely salary payments won't necessarily increase motivation but ensure basic satisfaction.

ALDERFER'S ERG THEORY: content theory

- Alderfer formulated a needs category model of motivation, similar to the theories of Maslow and Herzberg.
- ERG: Existence, Relatedness, Growth.
- Like them, he emphasized the value of categorizing needs and distinguished between lower-order and higher-order needs.
- However, Alderfer's theory introduced more flexibility.

Three Core Needs Identified By Alderfer

1. **Existence Needs:**

- These are related to basic survival and physiological well-being, such as food, water, shelter, and safety.
- **Example:** An employee prioritizes earning a salary that can cover their rent and groceries before focusing on other aspects of their job.

2. **Relatedness Needs:**

- These focus on interpersonal and social relationships. They emphasize the importance of being connected to others, whether at work or in one's personal life.
- **Example:** An employee values positive relationships with colleagues, seeks belonging in team settings, and feels motivated when receiving recognition from peers.

3. **Growth Needs:**

- These involve an individual's intrinsic desire for personal and professional development.
- **Example:** An employee takes up challenging tasks, enrolls in courses, or seeks promotions to realize their potential and grow in their career.

Key Differences From Maslow's Theory

1. No Strict Hierarchy:

- Unlike Maslow's hierarchy, the ERG theory does not require lower-order needs to be fully satisfied before higher-order needs become motivating.
- **Example:** A software developer may prioritize growth needs, such as learning new skills, even if their salary (existence need) is not very high.

2. Cultural and Personal Context:

- Alderfer acknowledged that cultural background or personal circumstances might influence which needs take priority.
- **Example:** In a close-knit community, relatedness needs (social connections) may take precedence over existence needs like earning a high salary.

3. Frustration-Regression Relationship:

- If individuals are unable to satisfy higher-order growth needs, they may regress to lower-order needs and focus more strongly on those.
- **Example:** An employee unable to advance in their career (growth need) may focus more on building relationships with colleagues (relatedness need) or on securing better pay and benefits (existence need).

Real-Life Examples Of Erg Theory In Action

1. Existence Needs:

- A factory worker focuses on earning wages to provide for their family and prioritizes safe working conditions over other factors.

2. Relatedness Needs:

- A new hire actively participates in team-building activities to feel a sense of belonging and build relationships with colleagues.

3. Growth Needs:

- A marketing professional enrolls in a leadership development program to gain skills and advance their career, even if they already have a good salary.

Application In The Workplace

● Managers should recognize the flexibility of needs:

- Employees might prioritize different needs at different times based on personal circumstances and workplace conditions.

● Frustration-Regression:

- If an employee feels stuck without growth opportunities, managers should provide support or address other needs like better pay or team bonding.
-

FRUSTRATION-REGRESSION SATISFACTION-PROGRESSION

VS.

MASLOW'S

- **Frustration-Regression Relationship (Alderfer):**
 - When higher-order needs (e.g., growth) are stifled, individuals may regress to lower-order needs (e.g., existence) and seek to satisfy them more strongly.
 - **Example:** An employee stuck in a monotonous job without opportunities for growth may become more focused on financial stability or social relationships.
- **Satisfaction-Progression Relationship (Maslow):**
 - In Maslow's theory, individuals move up the hierarchy as lower-order needs are satisfied.

RELATIONSHIP BETWEEN MASLOW, HERZBERG, AND ALDERFER THEORIES

Each of these theories categorizes human needs but does so in slightly different ways. The table below outlines how the concepts in each theory align with one another:

Maslow	Herzberg	Alderfer (ERG)
Self-Actualization	Motivators	Growth
Esteem	Motivators	Growth
Love/Belongingness	Hygiene	Relatedness
Safety	Hygiene	Existence
Physiological Needs	Hygiene	Existence

1. **Growth Needs:**

- **Maslow:** Self-actualization and esteem needs represent a person's desire for personal development, achievement, and fulfillment.
- **Herzberg:** These are captured by **motivators**, which include factors like achievement, recognition, and responsibility.
- **ERG:** Growth needs align directly with personal development and creativity.

2. **Relatedness Needs:**

- **Maslow:** Love and belongingness reflect the need for interpersonal relationships and acceptance.
- **Herzberg:** These needs are part of **hygiene factors**, such as interpersonal relationships and team dynamics.

- **ERG:** Relatedness needs emphasize the importance of social connections and relationships.

3. **Existence Needs:**

- **Maslow:** Safety and physiological needs focus on survival, such as shelter, food, and security.
- **Herzberg:** These are represented by **hygiene factors**, like salary, working conditions, and job security.
- **ERG:** Existence needs directly address the same basic survival requirements.

Key Differences

1. **Maslow:**

- Assumes a strict hierarchy where lower-level needs must be met before higher-level needs can motivate.

2. **Herzberg:**

- Differentiates between factors that prevent dissatisfaction (**hygiene factors**) and those that actively promote satisfaction (**motivators**).

3. **Alderfer:**

- Does not require a strict order; needs can overlap, and individuals may regress to lower-order needs if higher-order needs are unmet (frustration-regression).

VROOM'S EXPECTANCY THEORY (1960) process theory

Vroom's Expectancy Theory explains work motivation by focusing on anticipated rewards. It assumes that people make decisions rationally based on their subjective perception of reality, not objective facts.

The theory focuses on how individuals perceive the relationship between **Effort**, **Performance**, and **Reward**. Vroom identified three key factors that influence motivation:

1. **Expectancy:**

- The belief that putting in effort will lead to good performance.
- **Example:** An employee believes that working overtime will improve their project results.

2. **Instrumentality:**

- The belief that good performance will result in desired rewards.
- **Example:** An employee feels motivated to complete tasks effectively because they believe it will lead to a bonus or promotion.

3. **Valence:**

- The value or attractiveness of the reward to the individual.

- **Example:** A team member values professional development opportunities more than monetary rewards, making promotions and training programs highly motivating.

Relationships Between The Factors

- Vroom concluded that the strength of motivation (force) is determined by the formula:
 $F = \text{Valence} \times \text{Expectancy} \times \text{Instrumentality}$
- If any of these factors is weak (e.g., low expectancy or valence), motivation will decrease.
- **Example:** A newly hired employee sees a promotion as attractive (valence) but doesn't believe they can achieve it due to lack of experience (low expectancy), resulting in low motivation.

Additional Factors

1. **Individual Characteristics:**
 - Factors like personality, skills, and knowledge impact performance.
 - **Example:** Even with strong motivation, an employee lacking the necessary technical skills may struggle to perform effectively.
2. **Role Perception:**
 - How individuals perceive their job responsibilities influences their effort and performance.
 - **Example:** If an employee believes promotions are based only on tenure and not performance, they might put in less effort, regardless of the reward.

Types Of Rewards

1. **Intrinsic Rewards:**
 - Rewards that come from within, like personal growth or self-esteem.
 - **Example:** A teacher feels fulfilled when students succeed due to their guidance.
2. **Extrinsic Rewards:**
 - Rewards provided by the organization, such as bonuses or promotions.
 - **Example:** A salesperson works harder to achieve a quarterly performance bonus.

Main features of Expectancy Theory

1. It takes comprehensive view of the motivation process
2. It indicates that individuals will only react when they have a reasonable expectation that their behaviour will lead to the desired outcomes
3. It stresses the importance of individual perception of reality in the motivation process

4. It implies that job satisfaction follows effective job performance rather than the other way round
 5. It has led to the development in work redesign where emphasis has been laid on intrinsic job factors such as variety, autonomy, task identity and feedback
 6. Individual barriers should be removed for motivation to lead to performance i.e. ability, skills, knowledge
 7. Managers should recognise that in a way, employees calculate expectancies regarding future employment possibilities when seeking to leave a company and more importantly, often sees a connection between performance and reward and invites less effort in groups or team situation
 8. Intrinsic rewards have gained more significance.
-

PORTER-LAWLER MODEL process theory

The Porter-Lawler Model refines Vroom's theory by introducing more variables and distinguishing between **motivation, performance, and satisfaction** as separate concepts.

How The Model Works

1. Effort is Determined by Two Factors:

- **The Value of the Reward (Valence):** How much the individual values the reward.
 - **Example:** A pay raise might motivate one employee but not another who values work-life balance more.
- **Expectancy of Reward:** Whether the individual believes their effort will result in the reward.
 - **Example:** If an employee perceives the promotion process as unfair, their expectancy will be low.

2. Effort Does Not Always Equal Performance:

- Performance is influenced by:
 - **Ability and Skills:** The employee's knowledge and competency.
 - **Example:** A skilled worker can perform better with less effort.
 - **Role Perception:** How well the employee understands their job.
 - **Example:** Misunderstanding job expectations can lead to poor performance.

3. Performance May or May Not Lead to Rewards:

- Rewards are classified as:

Intrinsic Rewards: Personal satisfaction or growth.

- **Example:** Feeling accomplished after completing a challenging task.
- **Extrinsic Rewards:** Tangible rewards provided by the organization.
 - **Example:** Receiving a salary increase or bonus.
 - Not all rewards are perceived as fair or equitable, which affects satisfaction.
- 4. **Satisfaction Is Determined by Perception of Rewards:**
 - Satisfaction depends on whether the rewards are perceived as fair and equitable.
 - **Example:** If an employee feels underpaid compared to peers for the same performance, their satisfaction decreases.

Feedback Loops In The Model

1. **Satisfaction Influences Future Efforts:**
 - If past rewards are unsatisfying, the employee will reduce future effort.
 - **Example:** An employee who worked hard but didn't receive a promised promotion might lose motivation.
2. **Perception of Effort-Reward Linkage Influences Future Effort:**
 - If employees believe their performance doesn't lead to rewards, they will adjust their effort accordingly.
 - **Example:** A worker who perceives a bonus system as unfair may reduce their effort.

Key Takeaways From Porter-Lawler Model

1. **Effort \neq Performance:** Performance also depends on skills, abilities, and role perception.
2. **Performance \neq Satisfaction:** Satisfaction depends on how rewards are perceived, not just the performance itself.
3. **Managers Should Focus On:**
 - Offering valued rewards.
 - Ensuring a clear link between effort, performance, and reward.
 - Designing measurable and achievable tasks.
 - Training employees and removing barriers to performance.

COMPARISON: VROOM VS. PORTER-LAWLER

Aspect	Vroom	Porter-Lawler
Effort to Performance	Effort leads to performance.	Effort depends on skills, abilities, and role perception.
Performance to Reward	Assumes performance will lead to reward.	Rewards depend on performance but are not guaranteed.
Feedback Loops	No feedback loops.	Includes feedback loops linking satisfaction to effort.

EQUITY THEORY contemporary theory

Developed by Stacy Adams, Equity Theory explains how perceptions of fairness and equity influence employee behavior and motivation. The theory emphasizes that people compare their efforts and rewards with others to determine whether they are being treated fairly.

Key Concepts Of Equity Theory

1. Perception of Fairness:

- Employees constantly assess the fairness of their workplace by comparing their own **inputs** and **outcomes** with those of a similar person, called the **comparable other**.

2. Inputs and Outcomes:

- **Inputs:** The contributions an individual brings to the job.
 - **Examples:** Effort, education, experience, training, loyalty, and years of service.
- **Outcomes:** What the individual receives in return for their inputs.
 - **Examples:** Salary, bonuses, job title, status, fringe benefits, autonomy, and time off.

The Equity Comparison

- Employees calculate the ratio of their **outcomes to inputs** and compare it to the ratio of the comparable other.

Formula for Equity Comparison:

Outcome A / Input A = Outcome B / Input B

- **Equity:** When the ratios are equal, employees feel satisfied and motivated.
- **Inequity:** When the ratios are unequal, employees feel a sense of unfairness, which creates psychological tension.

Example:

- If Employee A works harder and has more experience but earns the same as Employee B, A may feel undercompensated and perceive inequity.
- Conversely, if Employee A earns more but contributes less than B, A may feel guilty.

Response To Inequity

1. When Undercompensated (Outcome A < Outcome B):

- Employees may try to restore equity by:
 1. Increasing their own outcomes: Asking for a raise or additional benefits.
 - **Example:** A worker who feels underpaid requests a salary review.
 2. Decreasing their inputs: Reducing their effort or productivity.
 - **Example:** A dissatisfied employee works slower or takes longer breaks.
 3. Decreasing the comparable other's outcomes: Persuading the manager to reduce the other's pay or privileges.
 - **Example:** Suggesting that a coworker's bonus should be reduced.
 4. Increasing the comparable other's inputs: Pressuring the other person to work harder.
 - **Example:** Criticizing a coworker for not pulling their weight.

1. When Overcompensated (Outcome A > Outcome B):

- Employees may try to restore equity by:
 1. Reducing their own outcomes: Refusing bonuses or pay increases.
 - **Example:** Turning down a promotion if it feels undeserved.
 2. Increasing the other's outcomes: Advocating for the comparable other to get a raise or bonus.
 - **Example:** Suggesting to the boss that a hardworking coworker deserves more pay.
 3. Increasing their own inputs: Putting in more effort or working harder.
 - **Example:** Taking on extra responsibilities to justify the higher pay.
 4. Decreasing the other's inputs: Helping the other person work more efficiently.
 - **Example:** Coaching a colleague to improve their skills or performance.

If Inequity Persists

When the gap in perceived equity cannot be resolved, employees might:

1. Change their perception:

- Convince themselves the situation is fair.
 - **Example:** “I earn more because I’ve been here longer.”
- 2. **Leave the situation:**
 - Quit the job or transfer to another department.
 - **Example:** A worker frustrated with inequity seeks employment elsewhere.
- 3. **Choose a different comparable other:**
 - Compare themselves to someone whose ratio feels less uncomfortable.
 - **Example:** “I may earn less than John, but I’m doing better than Sara.”

Types Of Justice In The Workplace

1. **Distributive Justice:**
 - Refers to the fairness of the amount of rewards received compared to others.
 - **Example:** Employees feel fairly treated if bonuses are distributed based on performance.
2. **Procedural Justice:**
 - Refers to the fairness of the methods or processes used to allocate rewards.
 - **Example:** Employees are more likely to accept outcomes if they believe the performance appraisal process is transparent and unbiased.

Key Takeaways From Equity Theory

1. **Fairness Drives Behavior:**
 - Employees’ motivation depends on their perception of fairness in the workplace.
 2. **Psychological Tension from Inequity:**
 - Perceived inequity motivates employees to take corrective action.
 3. **Both Inputs and Outcomes Matter:**
 - Employees focus on their contributions (inputs) and what they receive in return (outcomes).
 4. **Managers Should Focus On:**
 - Ensuring rewards are perceived as fair.
 - Designing transparent and equitable systems for distributing rewards.
 - Addressing inequities promptly to maintain motivation and reduce tension.
-