CHAPTER 5

Motivation: Background and Theories

Chapter Overview

This chapter covers the issue of employee motivation by discussing the major content and process theories that have been developed and used in organizations to motivate employees.

The chapter begins with a discussion of some commonly accepted points about motivation and a brief overview of a six‑step model of the motivation process. Two broad categories of motivation theories are presented:

* Content theories, which focus on factors within the individual that influence motivation
* Process theories, which focus on the motivation process

The chapter's focus is on the four primary content theories:

* Maslow's hierarchy of needs theory,
* Alderfer's ERG theory,
* Herzberg's two‑factor theory, and
* McClelland's learned needs theory.

Coverage of each theory provides an overview of the theory's assumptions, key concepts and principles, research testing the theory and the theory's application in organizations, and a brief overview of the theory's major strengths and weaknesses.

There are two process theories of motivation: expectancy and equity. Victor Vroom advances the expectancy theory. Integration of the important expectancy theory concepts generates three major principles.

* The valence associated with various first-level outcomes is a sum of the multiplication of the valences attached to all second-level outcomes with their respective instrumentalities.
* Motivation is a multiplicative function of the valence for each first-level outcome and the perceived expectancy that a given behavior will be followed by a particular first-level outcome.
* Performance is considered to be a multiplicative function of motivation (the force) and ability.

Equity theory of motivation examines discrepancies within Person after Person has compared this input/outcome ratio to that of reference person. Four important terms in this theory are:

* Person - the individual for whom equity or inequity is perceived
* Comparison other - any individual(s) or group used by Person as a reference regarding the ratio of inputs and outcomes
* Inputs - the individual characteristics brought by Person to the job
* Outcomes - what Person received from the job

Learning Objectives

By the end of the chapter, students should be able to:

1. Define *motivation* in practical terms that would be meaningful to managers in organizations.

2. Compare the content and process explanations and theories of motivation.

3. Describe how equity theory can explain employees’ reactions to pay and compensation decisions.

4. Discuss why an individual’s needs and preferences will change over the course of his or her work career.

5. Explain the motivational force for a behavior, action, or task as a function of three distinct perceptions made by an individual.

Lecture Outline

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|  | Managers have to be excellent at addressing the needs and goals of individual employees. There is no one motivational approach that works for everyone. As motivation theories suggest, individuals differ in their desired rewards, how they attempt to satisfy their needs, and how they view the fairness of what managers attempt to do for them and the work. |

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|  | Four specific generations exist in the workplace. Each generation has its own style, preference, and core values. A starting point in designing motivational systems is to be aware of key generational similarities and differences. For example, *Veterans,* born between 1922 and 1945, believe in hard work, dedication, sacrifice, and respect for authority. With the youngest of this generation being in their early 60s, these individuals contain a great deal of organizational knowledge and remain very influential. *Baby Boomers,* or those born between 1946 and 1964, are characterized by their optimism, teamwork, healthy lifestyles, and personal gratification. These individuals are often willing to “go the extra mile” at work to get the job done and enjoy their work and careers. |
|  | *Gen Xers,* who were born between 1965 and 1976, understand the importance of diversity, work/life balance, self-reliance, fun, and informality. More cynical than any other generation, their “it’s only a job” attitude places them in direct conflict with the Boomers. The next big influx of workers will come from *Generation Y* (a.k.a., the Nexters, Internet Gen, or Echo Boomers), who were born between 1977 and 1997. |
|  | Surveys, focus groups, and research suggest that these are some of the workplace preferences of Gen Y members. |

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|  | Why some employees perform better than others is a continual and perplexing problem facing managers. To explain such differences, several interesting and important variables have been used—for example, ability, emotional intelligence, and aspiration levels, as well as demographic factors such as age, education, and family background. However, one issue that consistently captures the attention of managers and researchers alike is the motivation of people to perform their work. In fact, much of management’s time is spent addressing the motivation of their employees. |
|  | Despite its obvious importance, motivation is difficult to define and to analyze. By one definition, motivation has to do with (1) the direction of behavior, (2) the strength of the response (i.e., effort) once an employee chooses to follow a course of action, and (3) the persistence of the behavior, or how long the person continues to behave in a particular manner.Another view suggests that the analysis of motivation should concentrate on the factors that incite and direct a person’s activities.One theorist emphasizes the goal-directedness aspect of motivation.Another states that motivation is “concerned with how behavior gets started, is energized, is sustained, is directed, and is stopped, and what kind of subjective reaction is present in the organism while all this is going on.” |
|  | One reason our understanding of motivation is important is that high levels of motivation are significant contributors to exceptional performance. Managers prefer highly motivated employees because they strive to find the best way to perform their jobs. Motivated employees are interested in producing high-quality products or services; they’re more likely to be productive than are nonmotivated or apathetic workers. They want to come to work and be part of a team; they’re interested in helping, supporting, and encouraging coworkers. Self-confident and decisive employees display these and other desirable actions. However, finding a universal set of principles to motivate employees and managers isn’t likely to occur, as there is no one approach that works best. |

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|  | Managers are expected to understand the existing types and degrees of motivation in their employees and must also try to enhance the extent of motivation demonstrated in a diverse and in many respects unpredictable group of people. This diversity results in different behavioral patterns that in some manner are related to needs and goals.  A **need** is a deficiency or lack of something of value that an individual experiences at a particular point in time. Deficiencies may be physiological, psychological, or sociological. Needs are energizers or triggers of behavioral responses. The implication is that when needs (deficiencies) are present, the individual will seek to fulfill those needs and may be more susceptible to managers’ motivational efforts.  In any discussion of motivation, the importance of goals is apparent. The motivational process, as interpreted by most theorists, is goal directed. The goals, or outcomes, an employee seeks are viewed as forces that attract the person. Accomplishing desired goals can result in a significant reduction in need deficiencies. |
|  | As Figure 5.1 shows, people have need deficiencies, which trigger a search process for ways to reduce the tension they cause. A course of action is selected, and goal-directed behavior occurs. After a period of time, managers assess that behavior. Performance evaluation will result in rewards or punishments. Such outcomes are weighed by the person, and need deficiencies are reassessed. This in turn triggers the process, and the circular pattern begins again. |
|  | Each person is attracted to some set of goals. To predict behavior with any accuracy, a manager must know something about an employee’s goals and about the actions that the employee has to take to achieve them. Numerous motivation theories and research findings attempt to explain this behavior–outcome relationship.  Theories of motivation fall into two categories: content theories and process theories. **Content theories** focus on the factors *within* the person that energize, direct, sustain, and stop behavior. They attempt to determine the specific needs that motivate people. **Process theories** describe and analyze how behavior is energized, directed, sustained, and stopped by factors primarily *external* to the person. Both categories have important implications for managers, who by the nature of their jobs are involved with the motivational process. |

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|  | Table 5.1 summarizes the basic characteristics of content and process theories of motivation from a managerial perspective. |
|  | This chapter covers some of the most publicized content theories (need hierarchy, ERG, two-factor, and learned needs) and introduces two process theories (expectancy and equity) of motivation, while the next chapter discusses several organizational applications of motivation theories. The content theories focus on individual needs in explaining job satisfaction, worker behavior, and reward systems. The theories suggest that within a person, individual need deficiencies activate tensions that trigger a behavioral response.  For managers to be effective, the content theories suggest that they must  1. Determine what needs trigger desired performance, group, and personal behaviors.  2. Be able to offer meaningful rewards that help the employee satisfy needs.  3. Know when to offer appropriate rewards to optimize performance behavior.  4. Not assume that a person’s need deficiencies will repeat themselves in a regular pattern. People change because of experiences, life events, aging, cultural and environmental changes, and other factors. For managers to be effective, the content theories suggest that they must  1. Determine what needs trigger desired performance, group, and personal behaviors.  2. Be able to offer meaningful rewards that help the employee satisfy needs.  3. Know when to offer appropriate rewards to optimize performance behavior.  4. Not assume that a person’s need deficiencies will repeat themselves in a regular pattern. People change because of experiences, life events, aging, cultural and environmental changes, and other factors. |

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|  | One of the most widely cited and discussed motivation theories is the **need hierarchy model** proposed by Abraham Maslow.The lowest-level needs are the physiological needs, and the highest-level needs are for self-actualization. Maslow defined human needs as  1. *Physiological:* the need for food, drink, shelter, and relief from pain.  2. *Safety and security:* the need for freedom from threat; that is, the security from threatening events or surroundings.  3. *Belongingness, social, and love:* the need for friendship, affiliation, interaction, and love.  4. *Esteem:* the need for self-esteem and for respect from others.  5. *Self-actualization:* the need to fulfill oneself by maximizing the use of abilities, skills, and potential. |
|  | Maslow’s theory assumes that a person attempts to satisfy the more basic needs (physiological) before directing behavior toward satisfying upper-level needs (self-actualization). Lower-order needs must be satisfied before a higher-order need such as self-actualization begins to control a person’s behavior. According to Maslow, a satisfied need ceases to motivate. When a person decides that she’s earning enough pay for contributing to the organization, money loses its power to motivate. |
|  | Alderfer agrees with Maslow that individuals’ needs are arranged in a hierarchy. However, his proposed needs hierarchy involves only three sets of needs:20  1. *Existence:* needs satisfied by such factors as food, air, water, pay, and working conditions.  2. *Relatedness:* needs satisfied by meaningful social and interpersonal relationships.  3. *Growth:* needs satisfied by an individual making creative or productive contributions.  Alderfer’s three needs—existence (E), relatedness (R), and growth (G), or ERG— correspond to Maslow’s in that the existence needs are similar to Maslow’s physiological and safety categories; the relatedness needs are similar to the belongingness, social, and love category; and the growth needs are similar to the esteem and self-actualization categories. |

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|  | In addition to a difference in the number of categories, Alderfer’s **ERG theory of motivation** and Maslow’s need hierarchy differ on how people move through the different sets of needs. Maslow proposed that unfulfilled needs at one level are of most importance and that the needs on the next higher level aren’t activated or triggered until the currently important needs are adequately satisfied. Thus, a person only progresses up the need hierarchy once his lower-level needs have been effectively met. In contrast, Alderfer’s ERG theory suggests that in addition to the satisfaction–progression process that Maslow proposed, a frustration–regression process is also at work. That is, if a person is continually frustrated in attempts to satisfy growth needs, relatedness needs reemerge as a major motivating force, causing the individual to redirect efforts toward exploring new ways to satisfy this lower-order need category. Figure 5.2 presents Alderfer’s ERG theory. |
|  | Psychologist and management consultant Frederick Herzberg developed the **two-factor content theory of motivation**.The two factors are the dissatisfiers-satisfiers, the hygiene-motivators, or the extrinsic–intrinsic factors, depending on who’s discussing the theory. The original research testing this theory included a group of 200 accountants and engineers. Herzberg used interview responses to questions such as, “Can you describe, in detail, when you felt exceptionally good about your job?” and “Can you describe, in detail, when you felt exceptionally bad about your job?” Rarely were the same kinds of experiences categorized as both good and bad. This systematic procedure resulted in the development of two distinct kinds of experiences: satisfiers and dissatisfiers.  Herzberg’s initial study resulted in two specific conclusions. First, there’s a set of *extrinsic* conditions, the job context. They include pay, status, and working conditions. The presence of these conditions to the satisfaction of the employee doesn’t necessarily motivate him, but their absence results in dissatisfaction. Because they’re needed to maintain at least a level of “no dissatisfaction,” the extrinsic conditions are called the *dissatisfiers,* or *hygiene,* factors.  Second, a set of *intrinsic* conditions, the job content, is also present. These conditions include feelings of achievement, increased responsibility, and recognition. The absence of these conditions doesn’t prove highly dissatisfying. But when present, they build strong levels of motivation that result in good job performance. Therefore, they’re called the *satisfiers,* or *motivators.* |
|  | Each theory has strengths and limitations that practicing managers need to consider and be cautious about. Table 5.2 highlights each model’s main characteristics. As is typically the case when competing theories exist, no one theory has clear-cut superiority. |

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|  | McClelland’s Learned Needs Theory that proposes that a person with a strong need will be motivated to use appropriate behaviors to satisfy the need. A person’s needs are learned from the culture of a society. |
|  | David C. McClelland has proposed a **learned needs theory** of motivation closely associated with learning concepts. He believes that many needs are acquired from the culture of a society.Three of these *learned needs* are the need for achievement (n Ach), the need for affiliation (n Aff), and the need for power (n Pow). McClelland suggested that when a need is strong in a person, its effect is to motivate her to use behavior leading to its satisfaction. For example, a worker with a high n Ach would set challenging goals, work hard to achieve the goals, and use skills and abilities to achieve them. |
|  | How are these needs such as n Ach measured? It’s not enough to assume that those who work hard and long have a need for achievement, while those who work slowly or in spurts don’t. To assess individual differences in the three proposed needs, the Thematic Apperception Test (TAT) is used.A person is shown pictures and asked to write a story about what he sees portrayed in them. |
|  | Most research evidence offered in support of McClelland’s learned needs theory has been provided by McClelland or his associates. For example, a classic study suggested that better managers have a high need for power that is directed toward the benefit of the organization.In general, research on the need for achievement has received the majority of attention from organizational behavior theorists and researchers. |

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|  | Each of the four content theories explains behavior from a slightly different perspective. None of the theories can or should be used by managers as the sole basis for explaining or inferring motivation. Although some critics are skeptical, it appears that people have innate and learned needs and that job factors result in a varying degree of satisfaction. Thus, each theory provides managers with some understanding of behavior and performance. |
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|  | Figure 5.4 compares the four theories. McClelland proposed no lower-order needs. However, his needs for achievement and power aren’t identical with Herzberg’s motivators, Maslow’s higher-order needs, or Alderfer’s growth needs, although there are some similarities. A major difference between the four content theories is McClelland’s emphasis on socially acquired needs. Also, the Maslow theory offers a static need hierarchy system; Alderfer presents a flexible, three-need classification approach; and Herzberg discusses intrinsic and extrinsic job factors. |
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|  | Theory in which an employee is faced with a set of first-level outcomes and selects an outcome based on how the choice is related to second-level outcomes. The individual’s preferences are based on the strength (valence) of the desire to achieve a second-level state and the perception of relationship between first- and second-level outcomes. |
|  | A widely cited process explanation of motivation, developed by Victor Vroom, is expectancy theory. The majority of the early studies conducted (about 50) tested the accuracy of expectancy theory in predicting employee behavior.Since then, additional studies have tested the theory itself.  Vroom defines *motivation* as a process governing choices among alternative forms of voluntary activity. In his view, most behaviors are under the voluntary control of the person and are consequently motivated. |
|  | The first-level outcomes resulting from behavior are associated with doing the job itself. These outcomes include productivity, absenteeism, turnover, and quality of productivity. Second-level outcomes are those events (rewards or punishments) that the first-level outcomes are likely to produce, such as merit pay increase, group acceptance or rejection, and promotion. |

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|  | ***Instrumentality***  This is an individual’s perception that first-level outcomes are associated with second-level outcomes. Vroom suggests that **instrumentality** can take values ranging from 1, indicating a perception that attainment of the second level is certain without the first outcome and impossible with it, to 1, indicating that the first outcome is necessary and sufficient for the second outcome to occur. A value of 0 would indicate no relationship between first and second outcomes. This association between outcomes can thus be thought of in terms of correlation.  ***Valence***  The preference for outcomes, as seen by the individual, is termed **valence**. For example, a person may prefer a 9 percent merit increase over a transfer to a new department, or the transfer over relocation to a new facility. An outcome is *positively* valent when it’s preferred; it’s *negatively* valent when it’s not preferred or is avoided. An outcome has a valence of zero when the individual is indifferent to attaining or not attaining it. Within the context of the expectancy theory of motivation n may prefer to be a high-performing (first-level outcome) employee because he believes that this will lead to a merit increase in pay (second-level outcome).52  ***Expectancy***  This term refers to the individual’s belief concerning the likelihood or subjective probability that a particular behavior will be followed by a particular outcome such as level of performance. That is, **expectancy** is the perceived chance of something occurring because of a behavior. Expectancy has a value ranging from 0, indicating no chance that an outcome will occur after the behavior or act, to +1, indicating certainty that a particular outcome will follow an act or a behavior. Expectancy is like a subjective probability. |

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|  | Integration of the important expectancy theory concepts generates three major principles:  1. V1  S(V2  I). The valence associated with various first-level outcomes is a sum of the multiplication of the valences (V2) attached to all second-level outcomes with their respective instrumentalities (I).  2. M f(V1  E). Motivation is a multiplicative function of the valence for each first-level outcome (V1) and the perceived expectancy (E) that a given behavior will be followed by a particular first-level outcome. If expectancy is low, there will be little motivation. Similarly, if an outcome’s valence is zero, neither the absolute value nor variations in the strength of the expectancies of accomplishing it will have any effect.  3. P f(M A). Performance is considered to be a multiplicative function of motivation (the force) and ability. |
|  | Figure 5.5 uses numerical values to illustrate how expectancy theory works conceptually. The situation portrayed involves Joan, a budget specialist, facing various performance (first and second-level) outcomes. Starting at the second-level outcome point (the right side), the valence associated with finishing the budget on time is calculated by V1  V2  I, or VI (6 0.6) (3 1.0) (1 0.3), or 6.9.  We’re assuming that Joan has indicated her preferences, or valence strength, for these three outcomes. She indicates strength of preference of 6 for a day off, 3 for recognition and compliments from the boss, and 1 for a mention of performance in her personnel file. Her preference ratings indicate Joan values the day off much more than the two other outcomes. Her valences are multiplied by the instrumentalities, her perceptions of the association of performance outcomes, and each of the second-level outcomes. Remember the 6, 3, and 1 valence strengths are set for illustrative purposes. These values indicating strength are subjectively established. Thus, for the “finishing budget on time” performance, this would be 6(0.6) 3(1.0) 1(0.3) = 6.9.  The motivational force for the condition of finishing the budget on time is calculated by M f(V1  E), or M 6.9 0.4, or 2.76. The motivational force for finishing the budget on the required day but after the deadline is 2.24, while finishing the budget the day after the deadline has a force of 0.20. Thus, the strongest force or motivation would be directed toward finishing the budget on time. Certainly, a manager would not engage in this type of mathematical calculation. However, he or she would attempt to determine how employees think in terms of expectancies, instrumentalities, and valences. |

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|  | Managers can certainly use expectancy theory in developing their own motivation programs.However, some managerial actions must be taken to improve the theory’s value. First, managers need to focus on employee expectations for success. That is, do employees feel that they can attain the performance goals that are set for them, or do they perceive that the achievement of these goals and the resultant positive outcomes are beyond their capabilities? If this latter situation is the case, especially in group situations, then low productivity is often the result.Managers need to realign assignments and rewards to facilitate the development of realistic challenge within jobs.  Second, managers must actively determine which second-level outcomes are important to employees. In our example, Joan valued a day off. Simply providing a notation in her personnel file commenting on her performance wasn’t as valued as the day off. Managers who know what subordinates prefer can attempt to provide the highly valued outcomes.  Third, managers should link desired second-level outcomes to the organization’s performance goals. Showing through example that there’s an actual association between performance goals and desired second-level outcomes increases employees’ belief that hard work and good performance result in outcomes they prefer.  Expectancy theory assumes employees allocate their behavior according to anticipated consequences of actions. Workers weigh the information available to them and make decisions according to the value of the consequences and their own probabilities of achieving what they prefer. Expectancy theory thus views behavior as the product of what employees believe will happen in the future. |
|  | J. Stacey Adams, while working as a research psychologist with the General Electric Co. in Crotonville, New York, developed and tested an equity theory of motivation. The essence of equity theory is that employees compare their efforts and rewards with those of others in similar work situations. This theory of motivation is based on the assumption that individuals, who work in exchange for rewards from the organization, are motivated by a desire to be equitably treated at work. |

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|  | Four important terms in this theory are  1. *Person:* the individual for whom equity or inequity is perceived.  2. *Comparison other:* any individual(s) or group used by Person as a referent regarding the ratio of inputs and outcomes.  3. *Inputs:* the individual characteristics brought by Person to the job. These may be achieved (e.g., skills, experience, learning) or ascribed (e.g., age, sex, race).  4. *Outcomes:* what Person received from the job (e.g., recognition, fringe benefits, pay).  Equity exists when employees perceive that the ratios of their inputs (efforts) to their outcomes (rewards) are equivalent to the ratios of other similar employees. Inequity exists when these ratios aren’t equivalent: An individual’s own ratio of inputs to outcomes could be greater or less than that of others. |
|  | Figure 5.6 illustrates the equity theory of motivation in general. |
|  | Table 5.3 gives an example. Note that Jeff has considered five points of comparison and has assigned hypothetical values (weights) to the importance of each point. Jeff is assessing his outcomes as 5 and inputs as 4, for a 1.25 index, while Jeff assesses Bob’s situation as 6 outcomes and 2 inputs, or 3.0. (The two major differences in this case are Jeff’s being paid $4,000 less than Bob and his 18 months’ more experience than Bob’s.) |

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|  | Equity theory suggests alternative ways to restore a feeling or sense of equity. Some examples of restoring equity would be  1. *Changing inputs.* Jeff may decide to put less time or effort into the job. Other inputs that could be changed are reliability, cooperation with others, initiative, and acceptance of responsibility.  2. *Changing outcomes.* Jeff may decide to confront his boss and ask for a raise, more time off, or better assignments.  3. *Changing the reference person.* The reference person (Bob) can be changed by making comparisons with the input/outcome ratios of some other person. This change can restore equity.  4. *Changing the inputs or outcomes of the reference person.* If the reference person is a co-worker, it might be possible to attempt to change his inputs. Asking Bob to work harder or to take more responsibility on projects would be examples of such an attempt.  5. *Changing the situation.* Jeff might quit the job to alter his feeling of inequity. He could also transfer to get away from an inequitable situation.  Each of these methods is designed to reduce or change the feelings of discomfort and tension created by inequity. Equity theory proposes that when inequity exists, a person is motivated to take one or more of these five steps. |
|  | Review objectives. |

Below find some applied questions/answers to reinforce your learning when you study the content and before doing your assignments.

* 1. As a future manager, which of the theories presented in this chapter will be of most use to you in motivating your employees? Explain.

None of the four content theories can or should be used by managers as the sole basis for explaining or inferring motivation; however each theory provides managers with some understanding of behavior and performance. The expectancy theory examines the processes followed and steps taken by a person in pursuing and attaining outcomes; however it is complex and difficult to assess. The equity theory is thought by some to be too restricted and incomplete; however this theory does seem to be applicable in other cultures.

* 1. Why would it be interesting to examine and compare the needs, discussed by McClelland, in young, middle‑aged, and older people in the United States, Japan, Germany, Poland, Egypt, Argentina, and Sweden?

A comparison of learned needs among members of different generations and different countries would reveal the importance of culture as an important source of learning these needs. For example, countries that are now attempting to develop their economies, such as China, must create environments in which the need to achieve is impressed on the younger people. Older people in these countries are not likely candidates for change.

* 1. In your opinion, should managers attempt to motivate employees with different ethnic backgrounds all in the same manner? Why or why not?

The discussion of cultural diversity in Chapter 4 suggests that people from different ethnic backgrounds bring many differences to the workplace. The challenge for management is to deal with those differences, if doing so is important for motivation and performance. In some instances, individual employee differences may not be key factors in performance. In these instances, some argue that management cannot justify the time it takes to consider each employee's ethnic background. And even if considering ethnicity would make a difference, managers must be careful not to establish rewards for one group that create resentment among others. In such a case, productivity might go up and one group and down in others.