

2.4 Motivation and demotivation

Motivation theories II (HL)

There are many motivation theories in business management. In addition to Taylor's scientific management theory, Maslow's hierarchy of needs theory and Herzberg's two-factor theory, HL students should be familiar with the following four motivation theories:

- McClelland's acquired needs theory
- Deci and Ryan's self-determination theory
- equity theory
- expectancy theory



McClelland's acquired needs theory


David McClelland was an expert in human motivation. In 1961, McClelland published *The Achieving Society*, in which he outlined his model of human motivation. His acquired needs theory claims that human beings have three dominant needs that drive motivation: achievement, power and affiliation. However, each person weighs up these factors differently and their relative importance is also impacted by culture.

Understanding how individuals weigh up these needs is important in providing the appropriate motivators for them to succeed. Managers can change the job to suit the employee so the job better matches what motivates them. **Table 1** provides more information on the motivators of acquired needs theory.

Table 1. The three acquired needs that drive motivation, according to McClelland.

Acquired need	Description
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Acquired need	Description
<div><div>Achievement</div><div>A man and a woman are standing in an office, high-fiving each other. The woman is wearing a striped shirt and the man is wearing a blue shirt. They are both smiling and looking at each other. The background shows a window with a view of a city.</div><div>Credit: Maskot, Getty Images</div></div>	<p>Employees who tend to be motivated more by achievement will want appropriate levels of challenge in their work. They will be motivated by mastering a skill and will appreciate receiving feedback. However, these employees may become bored easily if their tasks are not leading to their development. They are willing to take risks.</p>
<div><div>Power</div><div>A man and a woman are working together on a large, white, curved object. The man is pointing at the object and the woman is looking at it. They are both focused on their work. The background shows a workshop or studio with various tools and equipment.</div><div>Credit: John Fedele, Getty Images</div></div>	<p>Employees who tend to be motivated more by power will want opportunities to exercise influence. This could be positive, as when employees teach or mentor others. However, it could also result in negative behaviour if the employee uses power at the expense of others.</p>

Acquired need	Description
<p data-bbox="261 226 408 259">Affiliation</p>  <p data-bbox="330 730 699 808">Credit: Trevor Williams, Getty Images</p>	<p data-bbox="829 226 1326 846">Employees who tend to be motivated by affiliation will want to create and maintain strong social relationships with colleagues. They are supportive colleagues and work well in a team. However, these employees may not do well in a management position where they may have to evaluate others and have difficult conversations about performance. They are also more risk averse.</p>

Implication of McClelland's theories for managers

If managers believe that their workers are motivated mainly by one of these acquired needs, they can adopt different strategies for different employees, depending on what drives them:

- **Motivated by achievement.** Managers should stretch these employees, challenging them with new tasks and demanding new skills. These may be just outside the employee's comfort zone, helping the employee to develop. Providing constructive feedback will encourage the employee to take more risks.
- **Motivated by power.** Managers should channel the drive for power in positive directions, for example by providing those employees who have a need for power with mentoring opportunities. Managers will also need to monitor these employees carefully to ensure that other employees are not harmed or demotivated by the actions of power-driven colleagues.

- **Motivated by affiliation.** Managers should provide opportunities for affiliation-driven employees to strengthen relationships with colleagues, for example through teamwork. These employees may not perform well in managerial positions, however, because they may have to jeopardise relationships to evaluate colleagues. Thus, rising up through the hierarchy through promotion may not be the best reward for good performance. More innovative rewards may need to be considered.

Activity

Learner profile: Thinkers

Approaches to learning: Thinking skills (critical thinking)

McClelland's acquired needs theory is built on Maslow's theories.

- Identify two similarities and two differences between McClelland's acquired needs theory and Maslow's hierarchy of needs.
- Discuss with a partner how your approach to motivating employees might be different if you used Maslow's hierarchy of needs theory or McClelland's acquired needs theory.

Deci and Ryan's self-determination theory

Edward Deci and Richard Ryan developed their self-determination theory of motivation after researching how people responded to intrinsic and extrinsic motivators. In 1985, they published *Intrinsic Motivation and Self-determination in Human Behaviour*. In that work, the scientists set out to explain the factors that resulted in very high-quality motivation.

Deci and Ryan's theory of self-determination focuses on the power of intrinsic motivation. Intrinsic motivation is when a person engages in an activity because there is a reward or pleasure in the activity itself. This is different from extrinsic motivation, where a person engages in an activity because of a reward outside the activity, such as payment or an award.

Deci and Ryan described three factors that drive intrinsic motivation: autonomy, competence and relatedness (see **Figure 4**).

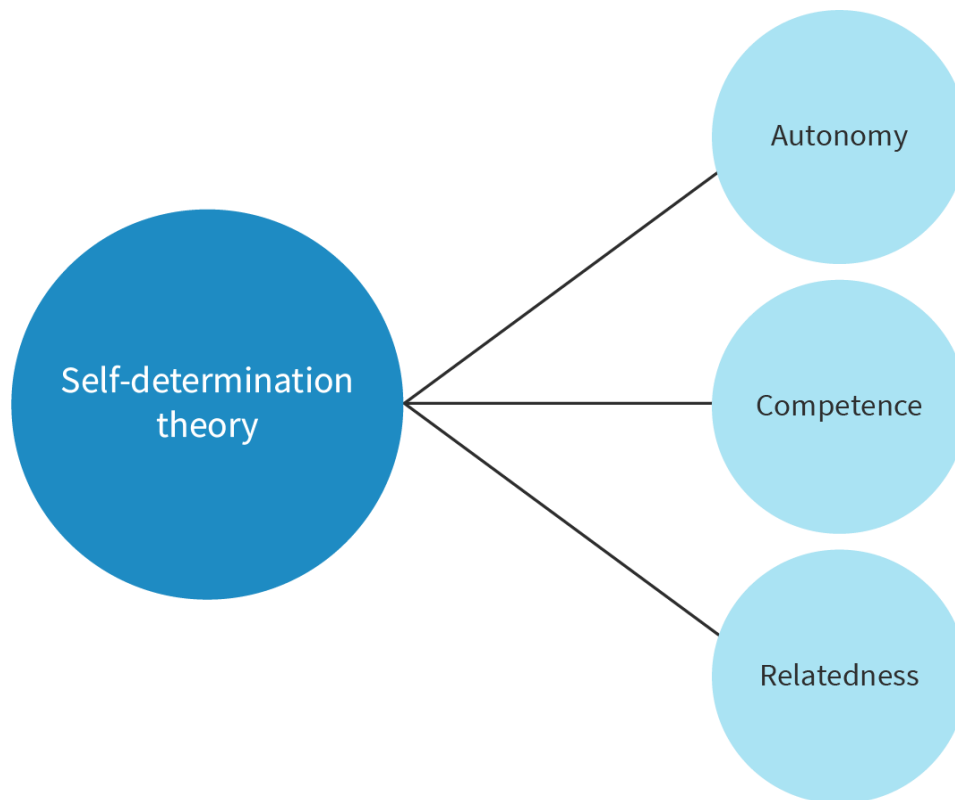


Figure 1. According to Deci and Ryan, extrinsic motivators, such as financial bonuses, can actually undermine more powerful intrinsic motivation.

Autonomy

Autonomy refers to the ability of a person to make decisions; to be independent. In the workplace, an employee would have autonomy if they could have some control over their work – what work they do, when and how they do the work and with whom they work.

The implication for managers is that, wherever possible, they should provide autonomy for their individual workers and teams. This could come in the form of increased opportunities for remote work, as Airbnb has done. It could also involve reducing detailed oversight of projects by upper-level managers. A manager could outline an objective and enable a team to decide how to get there. In the process, this could lead to innovative ideas and processes. Businesses that provide their employees with more autonomy over their work should benefit from greater levels of productivity as well as motivation.

Competence

Competence refers to a feeling of capability to do things in the world. It involves a sense of achievement and mastery of skills. In the workplace, an employee feeling a sense of competence would be challenged but have the right skills to succeed. This would lead to consistent professional growth.

The implication for managers is that they should challenge employees with new tasks and stretch their skills. For example, a teacher in a school could be given a new course to teach that they have not taught before. These strategies are basically the same ones demanded of managers trying to motivate achievement-oriented employees in McClelland's acquired needs theory. As in those cases, providing constructive feedback will help the employee be willing to take more risks, increase motivation and develop new skills that improve productivity.

Relatedness

Relatedness refers to a feeling of connection with other people; a sense of belonging to a group. In the workplace, employees feeling a sense of relatedness would have strong collaborative and positive relationships with colleagues. They would support one another professionally and perhaps even personally in times of need.

The implications for managers are similar to those in McClelland's acquired needs theory for motivating employees with affiliation needs. Businesses that provide opportunities for teamwork and collaboration, build mentorship and coaching systems and provide opportunities for employees to socialise should benefit from increases in motivation and productivity.

Deci and Ryan recognised that extrinsic motivators, such as pay, grades or seeking awards, could result in some motivation. But a key finding in their research was that extrinsic rewards could have a negative impact on intrinsic motivation; the intrinsic motivation to do something could actually be destroyed by the use of extrinsic rewards. So, it is important that businesses think carefully about the use of bonuses or other extrinsic motivators because these may be counterproductive.



Figure 2. Extrinsic motivators, such as financial bonuses, can actually undermine more powerful intrinsic motivation.

Credit: Maks_Lab, Getty Images

Activity

Learner profile: Reflective

Approaches to learning: Self-management skills (reflection)

Consider how education is conducted in school and your own levels of motivation.

- How much of your motivation in school comes intrinsically?
- How much of your motivation comes extrinsically?
- If it wanted to use Deci and Ryan's self-determination theory to increase motivation, how would your school need to change its own approaches to learning?

Equity theory and expectancy theory

Several of the motivation theories covered so far focus on human needs. The next two theories, equity theory and expectancy theory, are focused on processes. These theories start from the idea that human behaviour is influenced by processes in the external environment. Human beings engage with their environment and react in certain predictable ways in response to the conditions around them.

Equity theory

John Stacey Adams was a behavioural psychologist who studied the workplace. In 1963 he published his equity theory. Equity theory claims that people's satisfaction and motivation in the workplace is determined by understanding of fairness.

Adams explained that understanding of fairness was related to the ratio of inputs and outcomes. Inputs refer to the employee's contribution to the business. This could be in terms of time, effort, expertise, loyalty and commitment. Outcomes refer to what the employee receives from the employer in return and include compensation, recognition or sense of achievement.



Figure 3. Equity theory claims that employees value fairness. An imbalance between inputs, such as time, and outputs, such as compensation, can lead to dissatisfaction at work.

Credit: nurulanga, Getty Images

If there is an imbalance in inputs and outcomes, then the employee may become dissatisfied and unmotivated. For example, if an employee feels that they are putting a lot of time and effort into their work but the salary is not high enough, there may be an imbalance of inputs and outcomes leading to dissatisfaction.

Such an imbalance can also occur between employees if there is a perception of unfair outcomes between them. If an employee feels that others receive greater compensation for an equal or lower amount of input, then the employee may feel dissatisfied and unmotivated.

Implications of equity theory for managers

People have different perceptions of fairness. Therefore, it is not always clear exactly what a business needs to do to ensure that employees perceive their workplace as fair. Likewise, perceptions of fairness can change over time, even when conditions do not. This can happen, for example, when employees learn new information about the the pay or benefits of colleagues.

However, equity theory implies that businesses need to take actions to improve workplace equity. This is especially true where inequity is clearly present, such as where there are gender pay discrepancies. It also implies that businesses should examine executive pay more carefully. Excessive compensation packages for top managers, which have become more common over time in large companies, can undermine employee satisfaction with the business.

Expectancy theory

Expectancy theory is another process-based motivation theory. Put forward by Victor Vroom in 1964, expectancy theory claims that human behaviour is motivated by anticipated results or consequences. People will be motivated to perform if they think that their performance will be recognised and appropriately rewarded.

There are three parts to expectancy theory:

- **Expectancy.** This is an employee's belief that increased efforts will result in better performance.
- **Instrumentality.** This is an employee's belief that improved performance will result in a positive outcome for the employee; a belief that there is a clear relationship between performance and outcomes.
- **Valence.** This is the value that the employee places on the outcome they expect.

Implications of expectancy theory for managers

Understanding expectancy theory can help managers identify the outcomes (rewards) that employees expect to receive for their performance. Managers can clearly and closely align performance targets with those outcomes (rewards). Managers can also offer training directly tied to performance measures that link to expected and desired outcomes for the employee.

It is very important that managers understand the value that an employee places on the expected outcome. Clear links between performance measures and outcomes will not work to improve motivation and performance if the employee does not value the outcome or reward that is offered. So, managers need to take culture and individual values into consideration when developing appraisal and rewards systems. Different people will value different rewards, and managers may need to be flexible in what is offered.



Figure 4. Expectancy theory states that businesses need to closely align performance and expected outcomes (rewards) to motivate employees.

Credit: John D. Buffington, Getty Images

Activity

Learner profile: Reflective

Approaches to learning: Self-management skills (organisation)

Practise organising information visually, and strengthen your long-term memory by creating a mind map of all the motivation theories you have learned about in [Sections 2.4.1 \(/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/1-id-39413\)](https://app.kognity.com/study/app/y12-business-management-a-hl-may-2024/sid-351-cid-174702/book/1-id-39413) and 2.4.2.

Make sure to include keywords about the main claims for each theory, as well as the implications for businesses that wish to apply the theories in their human resource management. You may also wish to include graphics or symbols to help you put the information in your long-term memory.