Process Theories of Motivation

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WHAT'S COVERED

In this lesson, you will describe the process theories of motivation, and compare and contrast the main process theories of motivation: operant conditioning theory, equity theory, goal theory, and expectancy theory. Specifically, this lesson will cover:

BEFORE YOU START

Process theories of motivation try to explain why behaviors are initiated. These theories focus on the mechanism by which we choose a target, and the effort that we exert to "hit" the target. There are four major process theories: (1) operant conditioning, (2) equity, (3) goal, and (4) expectancy.

1. Operant Conditioning Theory

Operant conditioning theory is the simplest of the motivation theories. It basically states that people will do those things for which they are rewarded and will avoid doing things for which they are punished. This premise is sometimes called the "law of effect." However, if this were the sum total of conditioning theory, we would not be discussing it here. Operant conditioning theory does offer greater insights than "reward what you want and punish what you don't," and knowledge of its principles can lead to effective management practices.

Operant conditioning focuses on the learning of voluntary behaviors (Skinner, 1953). The term**operant conditioning** indicates that learning results from our "operating on" the environment. After we "operate on the environment" (that is, behave in a certain fashion), consequences result. These consequences determine the likelihood of similar behavior in the future. Learning occurs because we do something to the environment. The environment then reacts to our action, and our subsequent behavior is influenced by this reaction.

TERMS TO KNOW

Operant Conditioning

Indicates that learning results from our "operating on" the environment.

1a. The Basic Operant Model

According to **operant conditioning theory**, we learn to behave in a particular fashion because of consequences that resulted from our past behaviors (Skinner, 1953). The learning process involves three distinct steps, detailed in the table below. The first step involves a *stimulus* (S). The stimulus is any situation or event we perceive that we then respond to. A homework assignment is a stimulus. The second step involves a *response* (R), that is, any behavior or action we take in reaction to the stimulus. Staying up late to get your homework assignment in on time is a response. (We use the words response and behavior interchangeably here.) Finally, a *consequence* (C) is any event that follows our response and that makes the response more or less likely to occur in the future. If Colleen Sullivan receives praise from her superior for working hard, and if getting that praise is a pleasurable event, then it is likely that Colleen will work hard again in the future. If, on the other hand, the superior ignores or criticizes Colleen's response (working hard), this consequence is likely to make Colleen avoid working hard in the future. It is the experienced consequence (positive or negative) that influences whether a response will be repeated the next time the stimulus is presented.

Extinction occurs when a consequence makes it less likely the response/behavior will be repeated in the future. In the previous example, criticism from Colleen's supervisor could cause her to stop working hard on any assignment.

Reinforcement occurs when a consequence makes it more likely the response/behavior will be repeated in the future. A **positive reinforcement** is a desirable consequence that satisfies an active need or that removes a barrier to need satisfaction. It can be as simple as a kind word or as major as a promotion. Another technique for making a desired response more likely to be repeated is known as **negative reinforcement**. When a behavior causes something undesirable to be taken away, the behavior is more likely to be repeated in the future. Managers use negative reinforcement when they remove something unpleasant from an employee's work environment in the hope that this will encourage the desired behavior. Ted doesn't like being continually reminded by Philip to work faster (Ted thinks Philip is nagging him), so he works faster at stocking shelves to avoid being criticized. Philip's reminders are a negative reinforcement for Ted.

One should use negative reinforcement with extreme caution. Negative reinforcement is often confused with punishment. Punishment, unlike reinforcement (negative or positive), is intended to make a particular behavior go away (not be repeated). Negative reinforcement, like positive reinforcement, is intended to make a behavior more likely to be repeated in the future. In the previous example, Philip's reminders simultaneously punished one behavior (slow stocking) and reinforced another (faster stocking). The difference is often a fine one, but it becomes clearer when we identify the behaviors we are trying to encourage (reinforcement) or discourage (punishment).

TERMS TO KNOW

Operant Conditioning Theory
Posits that people learn to behave in a particular fashion as a result of the consequences that followed their past behaviors.

Reinforcement
Occurs when a consequence makes it more likely the response/behavior will be repeated in the future.

Extinction
Occurs when a consequence makes it less likely the response/behavior will be repeated in the future.

Positive Reinforcement
A desirable consequence that satisfies an active need or that removes a barrier to need satisfaction.

Negative Reinforcement
Occurs when a behavior causes something undesirable to be removed, increasing the likelihood of the behavior reoccurring.

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2. Equity Theory

Suppose you have worked for a company for several years. Your performance has been excellent, you have received regular pay increases, and you get along with your boss and coworkers. One day you come to work to find that a new person has been hired to work at the same job that you do. You are pleased to have the extra help. Then, you find out the new person is making $100 more per week than you, despite your longer service and greater experience. How do you feel? If you're like most of us, you're quite unhappy. Your satisfaction has just evaporated. Nothing about your job has changed—you receive the same pay, do the same job, and work for the same supervisor. Yet, the addition of one new employee has transformed you from a happy to an unhappy employee. This feeling of unfairness is the basis for equity theory.

Equity theory states that motivation is affected by the outcomes we receive for our inputs compared to the outcomes and inputs of other people (Adams, 1965). This theory is concerned with the reactions people have to outcomes they receive as part of a "social exchange." According to equity theory, our reactions to the outcomes we receive from others (an employer) depend both on how we value those outcomes in an absolute sense and on the circumstances surrounding their receipt. Equity theory suggests that our reactions will be influenced by our perceptions of the "inputs" provided in order to receive these outcomes ("Did I get as much out of this as I put into it?"). Even more important is our comparison of our inputs to what we believe others received for their inputs ("Did I get as much for my inputs as my coworkers got for theirs?").

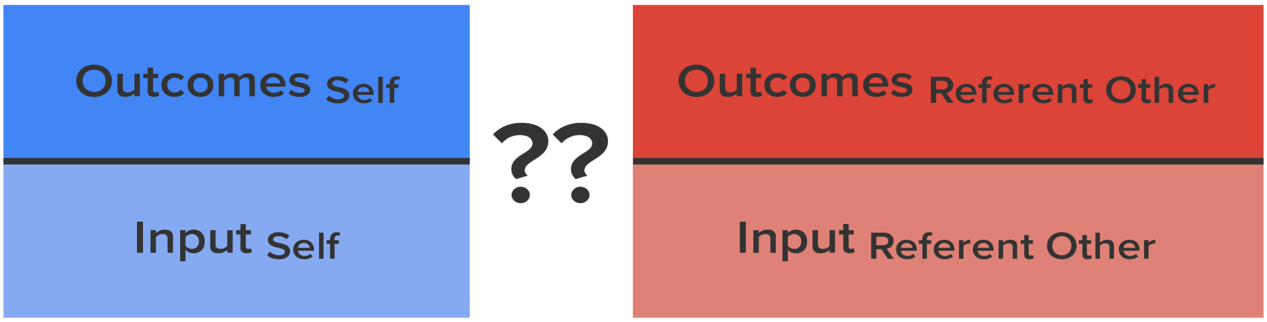
TERM TO KNOW

Equity Theory

States that human motivation is affected by the outcomes people receive for their inputs, compared to the outcomes and inputs of other people.

2a. The Basic Equity Model

The fundamental premise of equity theory is that we continuously monitor the degree to which our work environment is "fair." In determining the degree of fairness, we consider two sets of factors, inputs and outcomes (see diagram below). **Inputs** are any factors we contribute to the organization that we feel have value and are relevant to the organization. Note that the value attached to an input is based on our perception of its relevance and value. Whether or not anyone else agrees that the input is relevant or valuable is unimportant to us. Common inputs in organizations include time, effort, performance level, education level, skill levels, and bypassed opportunities. Since any factor we consider relevant is included in our evaluation of equity, it is not uncommon for factors to be included that the organization (or even the law) might argue are inappropriate (such as age, sex, ethnic background, or social status).



Outcomes are anything we perceive as getting back from the organization in exchange for our inputs. Again, the value attached to an outcome is based on our perceptions and not necessarily on objective reality. Common outcomes from organizations include pay, working conditions, job status, feelings of achievement, and friendship opportunities. Both positive and negative outcomes influence our evaluation of equity. Stress, headaches, and fatigue are also potential outcomes. Since any outcome we consider relevant to the exchange influences our equity perception, we frequently include unintended factors (peer disapproval, family reactions).

Equity theory predicts that we will compare our outcomes to our inputs in the form of a ratio. On the basis of this ratio we make an initial determination of whether or not the situation is equitable. If we perceive that the outcomes we receive are commensurate with our inputs, we are satisfied. If we believe that the outcomes are not commensurate with our inputs, we are dissatisfied. This dissatisfaction can lead to ineffective behaviors for the organization if they continue. The key feature of equity theory is that it predicts that we will compare our ratios to the ratios of other people. It is this comparison of the two ratios that has the strongest effect on our equity perceptions. These other people are called referent others because we “refer to” them when we judge equity. Usually, referent others are people we work with who perform work of a similar nature. That is, **referent others** perform jobs that are similar in difficulty and complexity to the employee making the equity determination (see previous diagram).

Three conditions can result from this comparison. Our outcome-to-input ratio could equal the referent other’s. This is a **state of equity**. A second result could be that our ratio is greater than the referent other’s. This is a state of **overreward inequity**. The third result could be that we perceive our ratio to be less than that of the referent other. This is a state of **underreward inequity**. Equity theory has a lot to say about basic human tendencies. The motivation to compare our situation to that of others is strong.

> ↱ EXAMPLE What is the first thing you do when you get an exam back in class? Probably look at your score and make an initial judgment as to its fairness. For a lot of people, the very next thing they do is look at the scores received by fellow students who sit close to them. A 75 percent score doesn’t look so bad if everyone else scored lower! This is equity theory in action.

Most workers in the United States are at least partially dissatisfied with their pay (Adams, 1965). Equity theory helps explain this. Two human tendencies create feelings of inequity that are not based in reality. One is that we tend to overrate our performance levels.

The second human tendency that leads to unwarranted perceptions of inequity is our tendency to *overrate* the outcomes of others (Lawler, 1972). Many employers keep the pay levels of employees a “secret.” Still other employers actually forbid employees to talk about their pay. This means that many employees don’t know for certain how much their colleagues are paid. And, because most of us overestimate the pay of others, we tend to think that they’re paid more than they actually are, and the unjustified perceptions of inequity are perpetuated.

The bottom line for employers is that they need to be sensitive to employees’ need for equity. Employers need to do everything they can to prevent feelings of inequity because employees engage in effective behaviors when they perceive equity and engage in ineffective behaviors when they perceive inequity.

TERMS TO KNOW

Inputs
Any personal qualities that a person views as having value and that are relevant to the organization.

Outcomes
Anything a person perceives as getting back from an organization in exchange for the person’s inputs.

Referent Others
Workers that a person uses to compare inputs and outcomes, and who perform jobs similar in difficulty and complexity to the employee making an equity determination.

State of Equity

Occurs when people perceive their outcome/input ratio to be equal to that of their referent other.

Overreward Inequity

Occurs when people perceive their outcome/input ratio to be greater than that of their referent other.

Underreward Inequity

Occurs when people perceive their outcome/input ratio to be less than that of their referent other.

2b. Implications of Equity Theory

Equity theory is widely used, and its implications are clear. In the vast majority of cases, employees experience (or perceive) underreward inequity rather than overreward. As discussed above, few of the behaviors that result from underreward inequity are good for employers. Thus, employers try to prevent unnecessary perceptions of inequity. They do this in a number of ways. They try to be as fair as possible in allocating pay. That is, they measure performance levels as accurately as possible, then give the highest performers the highest pay increases. Second, most employers are no longer secretive about their pay schedules. People are naturally curious about how much they are paid relative to others in the organization. This doesn't mean that employers don't practice discretion—they usually don't reveal specific employees' exact pay. But they do tell employees the minimum and maximum pay levels for their jobs and the pay scales for the jobs of others in the organization. Such practices give employees a factual basis for judging equity.

Supervisors play a key role in creating perceptions of equity. "Playing favorites" ensures perceptions of inequity. Employees want to be rewarded on their merits, not the whims of their supervisors. In addition, supervisors need to recognize differences in employees in their reactions to inequity. Some employees are highly sensitive to inequity, and a supervisor needs to be especially cautious around them (Huseman et al., 1987). Everyone is sensitive to reward allocation (Bies, 1987). But "equity sensitives" are even more sensitive. A major principle for supervisors, then, is simply to implement fairness. Never base punishment or reward on whether or not you like an employee. Reward behaviors that contribute to the organization, and discipline those that do not. Make sure employees understand what is expected of them, and praise them when they do it. These practices make everyone happier and your job easier.

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3. Goal Theory

No theory is perfect. If it was, it wouldn't be a theory. It would be a set of facts. Theories are sets of propositions that are right more often than they are wrong, but they are not infallible. However, the basic propositions of goal theory come close to being infallible. Indeed, it is one of the strongest theories in organizational behavior.

Goal theory states that people will perform better if they have difficult, specific, accepted performance goals or objectives (Locke, 1978; Pinder, 1994).

The first and most basic premise of goal theory is that people will attempt to achieve those goals that they *intend* to achieve. Thus, if we intend to do something (like get an A on an exam), we will exert effort to accomplish it. Without such goals, our effort at the task (studying) required to achieve the goal is less. Students whose goals are to get As study harder than students who don't have this goal—we all know this. This doesn't mean that people without goals are unmotivated. It simply means that people with goals are more motivated. The intensity of their motivation is greater, and they are more directed.

The second basic premise is that *difficult* goals result in better performance than easy goals. This does not mean that difficult goals are always achieved, but our performance will usually be better when we intend to achieve harder goals. Your goal of an A in Classical Mechanics at Cal Tech may not get you your A, but it may earn you a B+, which you wouldn't have gotten otherwise. Difficult goals cause us to exert more effort, and this almost always results in better performance.

Another premise of goal theory is that *specific* goals are better than vague goals. We often wonder what we need to do to be successful. Have you ever asked a professor, "What do I need to do to get an A in this course?" If he or she responded, "Do well on the exams," you weren't much better off for having asked. This is a vague response. Goal theory says that we perform better when we have specific goals. Had your professor told you the key thrust of the course, to turn in all the problem sets, to pay close attention to the essay questions on exams, and to aim for scores in the 90s, you would have something concrete on which to build a strategy.

A key premise of goal theory is that people must *accept* the goal. Usually we set our own goals. But sometimes others set goals for us. Your professor telling you your goal is to "score at least a 90 percent on your exams" doesn't mean that you'll accept this goal. Maybe you don't feel you can achieve scores in the 90s. Or, you've heard that 90 isn't good enough for an A in this class. This happens in work organizations quite often. Supervisors give orders that something must be done by a certain time. The employees may fully understand what is wanted, yet if they feel the order is unreasonable or impossible, they may not exert much effort to accomplish it. Thus, it is important for people to accept the goal. They need to feel that it is also their goal. If they do not, goal theory predicts that they won't try as hard to achieve it.

Goal theory also states that people need to *commit* to a goal in addition to accepting it. **Goal commitment** is the degree to which we dedicate ourselves to achieving a goal. Goal commitment is about setting priorities. We can accept many goals (go to all classes, stay awake during classes, take lecture notes), but we often end up doing only some of them. In other words, some goals are more important than others. And we exert more effort for certain goals. This also happens frequently at work. A software analyst's major goal may be to write a new program. His or her minor goal may be to maintain previously written programs. It is minor because maintaining old programs is boring while writing new ones is fun. Goal theory predicts that his or her commitment, and thus his or her intensity, to the major goal will be greater.

Allowing people to participate in the goal-setting process often results in higher goal commitment. This has to do with ownership. And when people participate in the process, they tend to incorporate factors they think will make the goal more interesting, challenging, and attainable. Thus, it is advisable to allow people some input into the goal-setting process. Imposing goals on them from the outside usually results in less commitment (and acceptance).

The process starts with our values. Values are our beliefs about how the world should be or act, and often include words like "should" or "ought." We compare our present conditions against these values.

> ↱ EXAMPLE Randi holds the value that everyone should be a hard worker. After measuring her current work against this value, Randi concludes that she doesn't measure up to her own value. Following this, her goal-setting process begins. Randi will set a goal that affirms her status as a hard worker.

Goal theory can be a tremendous motivational tool. In fact, many organizations practice effective management by using a technique called "management by objectives" (MBO). MBO is based on goal theory and is quite effective when implemented consistently with goal theory's basic premises.

Despite its many strengths, several cautions about goal theory are appropriate. Locke has identified most of them (Locke, 1979). First, setting goals in one area can lead people to neglect other areas. It is important that goals be set for most major duties. Second, goal setting sometimes has unintended consequences.

Some managers use goal setting in unethical ways. They may manipulate employees by setting impossible goals. This enables them to criticize employees even when the employees are doing superior work and, of course, causes much stress. Goal setting should never be abused. Perhaps the key caution about goal setting is that it often results in too much focus on quantified measures of performance. Qualitative aspects of a job or task may be neglected because they aren't easily measured. Managers must keep employees focused on the qualitative aspects of their jobs as well as the quantitative ones. Finally, setting individual goals in a teamwork environment can be counterproductive (Mitchell & Silver, 1990). Where possible, it is preferable to have group goals in situations where employees depend on one another in the performance of their jobs.

The cautions noted here are not intended to deter you from using goal theory. We note them so that you can avoid the pitfalls. Remember, employees have a right to reasonable performance expectations and the rewards that result from performance, and organizations have a right to expect high performance levels from employees. Goal theory should be used to optimize the employment relationship. Goal theory holds that people will exert effort to accomplish goals if those goals are difficult to achieve, accepted by the individual, and specific in nature.

TERMS TO KNOW

Goal Theory
States that people will perform better if they have difficult, specific, accepted performance goals or objectives.

Goal Commitment
The degree to which people dedicate themselves to achieving a goal.

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4. Expectancy Theory

Expectancy theory posits that we will exert much effort to perform at high levels so that we can obtain valued outcomes. It is the motivation theory that many organizational behavior researchers find most intriguing, in no small part because it is currently also the most comprehensive theory. Expectancy theory ties together many of the concepts and hypotheses from the theories discussed earlier in this Challenge. In addition, it points to factors that other theories miss. Expectancy theory has much to offer the student of management and organizational behavior.

Expectancy theory is sufficiently general that it is useful in a wide variety of situations. Choices between job offers, between working hard or not so hard, between going to work or not—virtually any set of possibilities can be addressed by expectancy theory. Basically, the theory focuses on two related issues:

1. When faced with two or more alternatives, which will we select?
2. Once an alternative is chosen, how motivated will we be to pursue that choice?

Expectancy theory thus focuses on the two major aspects of motivation, *direction* (which alternative?) and *intensity* (how much effort to implement the alternative?). The attractiveness of an alternative is determined by our "expectations" of what is likely to happen if we choose it. The more we believe that the alternative chosen will lead to positively valued outcomes, the greater its attractiveness to us.
Expectancy theory states that, when faced with two or more alternatives, we will select the most attractive one. And, the greater the attractiveness of the chosen alternative, the more motivated we will be to pursue it. Our natural hedonism, discussed earlier in this Challenge, plays a role in this process. We are motivated to maximize desirable outcomes (a pay raise) and minimize undesirable ones (discipline). Expectancy theory

goes on to state that we are also logical in our decisions about alternatives. It considers people to be *rational*. People evaluate alternatives in terms of their "pros and cons," and then choose the one with the most "pros" and fewest "cons."

TERM TO KNOW

Expectancy Theory

Posits that people will exert high effort levels to perform at high levels so that they can obtain valued outcomes.

4a. The Basic Expectancy Model

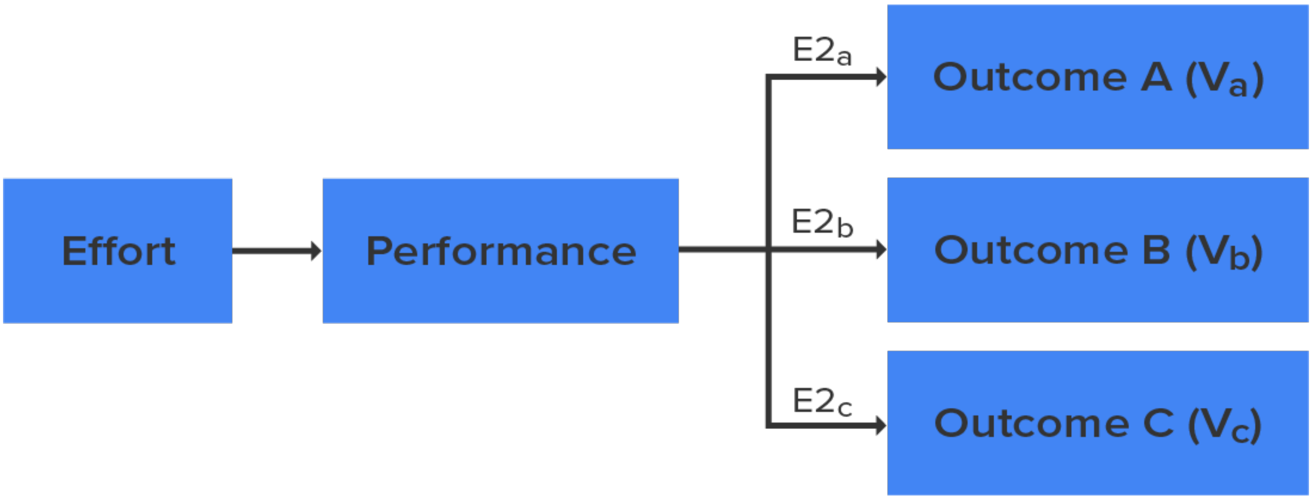
The three major components of expectancy theory reflect its assumptions of hedonism and rationality: effort-performance expectancy, performance-outcome expectancy, and valences.

The **effort-performance expectancy**, abbreviated E1, is the perceived probability that effort will lead to performance (or E ➡ P). Performance here means anything from doing well on an exam to assembling 100 toasters a day at work. Sometimes people believe that no matter how much effort they exert, they won't perform at a high level. They have weak E1s. Other people have strong E1s and believe the opposite—that is, that they can perform at a high level if they exert high effort. You all know students with different E1s—those who believe that if they study hard they'll do well, and those who believe that no matter how much they study they'll do poorly. People develop these perceptions from prior experiences with the task at hand, and from self-perceptions of their abilities. The core of the E1 concept is that people don't always perceive a direct relationship between effort level and performance level.

The **performance-outcome expectancy**, E2, is the perceived relationship between performance and outcomes (or P ➡ O). Many things in life happen as a function of how well we perform various tasks. E2 addresses the question, "What will happen if I perform well?" Let's say you get an A in your Classical Mechanics course at Cal Tech. You'll be elated, your classmates may envy you, and you are now assured of that plum job at NASA. But let's say you got a D. Whoops, that was the last straw for the dean. Now you've flunked out, and you're reduced to going home to live with your parents (perish the thought!). Likewise, E2 perceptions develop in organizations, although hopefully not as drastically as your beleaguered career at Cal Tech. People with strong E2s believe that if they perform their jobs well, they'll receive desirable outcomes—good pay increases, praise from their supervisor, and a feeling that they're really contributing. In the same situation, people with weak E2s will have the opposite perceptions—that high performance levels don't result in desirable outcomes and that it doesn't really matter how well they perform their jobs as long as they don't get fired.

Valences are the easiest of the expectancy theory concepts to describe. Valences are simply the degree to which we perceive an outcome as desirable, neutral, or undesirable. Highly desirable outcomes (e.g., a 25 percent pay increase) are positively valent. Undesirable outcomes (being disciplined) are negatively valent. Outcomes that we're indifferent to (i.e., where you must park your car) have neutral valences. Positively and negatively valent outcomes abound in the workplace—pay increases and freezes, praise and criticism, recognition and rejection, promotions and demotions. And as you would expect, people differ dramatically in how they value these outcomes. Our needs, values, goals, and life situations affect what valence we give an outcome. Equity is another consideration we use in assigning valences. We may consider a 10 percent pay increase desirable until we find out that it was the lowest raise given in our work group.

The diagram below summarizes the three core concepts of expectancy theory. The theory states that our perceptions about our surroundings are essentially predictions about "what leads to what." We perceive that certain effort levels result in certain performance levels. We perceive that certain performance levels result in certain outcomes. Outcomes can be **extrinsic**, in that others (e.g., our supervisor) determine whether we receive them, or **intrinsic**, in that *we* determine if they are received (i.e., our sense of achievement). Expectancy theory predicts that we will exert effort that results in the maximum amount of positive-valence outcomes. If our E1 or E2 is weak, or if the outcomes are not sufficiently desirable, our motivation to exert effort will be low. Stated differently, an individual will be motivated to try to achieve the level of performance that results in the most rewards.



1. Effort ➡ Performance Expectancy (E ➡ P; E1)
2. Performance ➡ Outcome Expectancy (P ➡ O; E2)
3. Valences (V) of Outcomes (Vo)

TERMS TO KNOW

Effort-Performance Expectancy
E1, the perceived probability that effort will lead to performance (or E ➡ P).

Performance-Outcome Expectancy
E2, the perceived relationship between performance and outcomes (or P ➡ O).

Valences
The degree to which a person perceives an outcome as being desirable, neutral, or undesirable.

4b. Implications of Expectancy Theory

Expectancy theory has major implications for the workplace. Basically, expectancy theory predicts that employees will be motivated to perform well on their jobs under two conditions. The first is when employees believe that a reasonable amount of effort will result in good performance. The second is when good performance is associated with positive outcomes and low performance is associated with negative outcomes. If neither of these conditions exists in the perceptions of employees, their motivation to perform will be low.

Why might an employee perceive that positive outcomes are not associated with high performance? Or that negative outcomes are not associated with low performance? That is, why would employees develop weak E2s? This happens for a number of reasons. The main one is that many organizations subscribe too strongly to a principle of equality (not to be confused with equity). They give all of their employees equal salaries for equal work, equal pay increases every year (these are known as across-the-board pay raises), and equal treatment wherever possible. Equality-focused organizations reason that some employees “getting more” than others leads to disruptive competition and feelings of inequity.

In time, employees in equality-focused organizations develop weak E2s because no distinctions are made for differential outcomes. If the best and the worst salespeople are paid the same, in time they will both decide that it isn't worth the extra effort to be a high performer. Needless to say, this is not the goal of competitive organizations and can cause the demise of the organization as it competes with other firms in today's global marketplace.

Expectancy theory states that to maximize motivation, organizations must make outcomes contingent on performance. This is the main contribution of expectancy theory: it makes us think about *how* organizations should distribute outcomes. If an organization, or a supervisor, believes that treating everyone "the same" will result in satisfied and motivated employees, they will be wrong more times than not. From equity theory we know that some employees, usually the better-performing ones, will experience underreward inequity. From expectancy theory we know that employees will see no difference in outcomes for good and poor performance, so they will not have as much incentive to be good performers. Effective organizations need to actively encourage the perception that good performance leads to positive outcomes (bonuses, promotions) and that poor performance leads to negative ones (discipline, termination). Remember, there is a big difference between treating employees equally and treating them equitably.

What if an organization ties positive outcomes to high performance and negative outcomes to low performance? Employees will develop strong E2s. But will this result in highly motivated employees? The answer is maybe. We have yet to address employees' E1s. If employees have weak E1s, they will perceive that high (or low) effort does *not* result in high performance and thus will not exert much effort. It is important for managers to understand that this can happen despite rewards for high performance.

Task-related abilities are probably the single biggest reason why some employees have weak E1s.**Self-efficacy** is our belief about whether we can successfully execute some future action or task, or achieve some result. High self-efficacy employees believe that they are likely to succeed at most or all of their job duties and responsibilities. And as you would expect, low self-efficacy employees believe the opposite. Our efficacy expectations at a given point in time determine not only our initial decision to perform (or not) a task, but also the amount of effort we will expend and whether we will persist in the face of adversity (Bandura, 1997). Self-efficacy has a strong impact on the E1 factor. As a result, self-efficacy is one of the strongest determinants of performance in any particular task situation (Gardner & Pierce, 1998).

Employees develop weak E1s for two reasons. First, they don't have sufficient resources to perform their jobs. Resources can be internal or external. Internal resources include what employees bring to the job (such as prior training, work experience, education, ability, and aptitude) and their understanding of what they need to do to be considered good performers. The second resource is called role perceptions—how employees believe their jobs are done and how they fit into the broader organization. If employees don't know how to become good performers, they will have weak E1s. External resources include the tools, equipment, and labor necessary to perform a job. The lack of good external resources can also cause E1s to be weak.

The second reason for weak E1s is an organization's failure to measure performance accurately. That is, performance *ratings* don't correlate well with actual performance levels. How does this happen? Have you ever gotten a grade that you felt didn't reflect how much you learned? This also happens in organizations. Why are ratings sometimes inaccurate? Supervisors, who typically give out ratings, well, they're human. Perhaps they're operating under the mistaken notion that similar ratings for everyone will keep the team happy. Perhaps they're unconsciously playing favorites. Perhaps they don't know what good and poor performance levels are. Perhaps the measurements they're expected to use don't fit their product/team/people. Choose one or all of these. Rating people is rarely easy.

Whatever the cause of rating errors, some employees may come to believe that no matter what they do they will never receive a high performance rating. They may in fact believe that they are excellent performers but that the performance rating system is flawed. Expectancy theory differs from most motivation theories because it highlights the need for accurate performance measurement. Organizations cannot motivate employees to perform at a high level if they cannot identify high performers.

TERM TO KNOW

Self-efficacy

A belief about the probability that one can successfully execute some future action or task, or achieve some result.

REFLECT

1. Understand the process theories of motivation: operant conditioning, equity, goal, and expectancy theories.
2. Describe the managerial factors managers must consider when applying motivational approaches.

SUMMARY

In this lesson, you learned about the four major process theories which try to explain why behaviors are initiated. You learned about **operant conditioning theory**, which states that people will do those things for which they are rewarded and will avoid doing things for which they are punished. **The basic operant model** involves three distinct steps: a stimulus, a response, and a consequence. According to this theory, we learn to behave in a particular fashion because of consequences that resulted from our past behaviors; extinction occurs when a consequence makes it less likely the response/behavior will be repeated in the future, and reinforcement (positive or negative) occurs when a consequence makes it more likely the response/behavior will be repeated in the future. You learned about **equity theory**, which states that motivation is affected by the outcomes we receive for our inputs compared to the outcomes and inputs of other people. **The basic equity model** is based on the premise that we continuously monitor the degree to which our work environment is “fair,” determined by two sets of factors, inputs and outcomes. This theory predicts that we will compare our outcomes to our inputs in the form of a ratio, and on the basis of this ratio we make an initial determination of whether or not the situation is equitable. However, as you learned in the discussion of **implications of equity theory**, many employees experience (or perceive) underreward inequity rather than overreward; therefore, employers should try to prevent unnecessary perceptions of inequity. You also learned about **goal theory**, one of the strongest theories in organizational behavior, which posits that people will perform better if they have difficult, specific, accepted performance goals or objectives The basic goal-setting model starts with an individual's values—beliefs about how the world should be or act—and his or her present conditions are compared against these values. Lastly, you learned about **expectancy theory**, which posits that we will exert much effort to perform at high levels so that we can obtain valued outcomes. **The basic expectancy model** consists of three major components: effort-performance expectancy (E1), performance-outcome expectancy (E2), and valences; to maximize motivation, organizations must make outcomes contingent on performance. In the discussion of **implications of expectancy theory**, you learned that it is important for organizations to cultivate an environment where employees can develop strong E1s and E2s.

Best of luck in your learning!

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TERMS TO KNOW

Effort-Performance Expectancy
E1, the perceived probability that effort will lead to performance (or E ➡ P).

Equity Theory
States that human motivation is affected by the outcomes people receive for their inputs, compared to the outcomes and inputs of other people.

Expectancy Theory
Posits that people will exert high effort levels to perform at high levels so that they can obtain valued outcomes.

Extinction
Occurs when a consequence makes it less likely the response/behavior will be repeated in the future.

Goal Commitment
The degree to which people dedicate themselves to achieving a goal.

Goal Theory
States that people will perform better if they have difficult, specific, accepted performance goals or objectives.

Inputs
Any personal qualities that a person views as having value and that are relevant to the organization.

Negative Reinforcement
Occurs when a behavior causes something undesirable to be removed, increasing the likelihood of the behavior reoccurring.

Operant Conditioning
Indicates that learning results from our “operating on” the environment.

Operant Conditioning Theory
Posits that people learn to behave in a particular fashion as a result of the consequences that followed

their past behaviors.

Outcomes
Anything a person perceives as getting back from an organization in exchange for the person's inputs.

Overreward Inequity
Occurs when people perceive their outcome/input ratio to be greater than that of their referent other.

Performance-Outcome Expectancy
E2, the perceived relationship between performance and outcomes (or P ➨ O).

Positive Reinforcement
A desirable consequence that satisfies an active need or that removes a barrier to need satisfaction.

Punishment
An aversive consequence that follows a behavior and makes it less likely to reoccur.

Referent Others
Workers that a person uses to compare inputs and outcomes, and who perform jobs similar in difficulty and complexity to the employee making an equity determination.

Reinforcement
Occurs when a consequence makes it more likely the response/behavior will be repeated in the future.

Self-efficacy
A belief about the probability that one can successfully execute some future action or task, or achieve some result.

State of Equity
Occurs when people perceive their outcome/input ratio to be equal to that of their referent other.

Underreward Inequity
Occurs when people perceive their outcome/input ratio to be less than that of their referent other.

Valences
The degree to which a person perceives an outcome as being desirable, neutral, or undesirable.