BUS 401 Business and Entrepreneurship



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Motivation theories

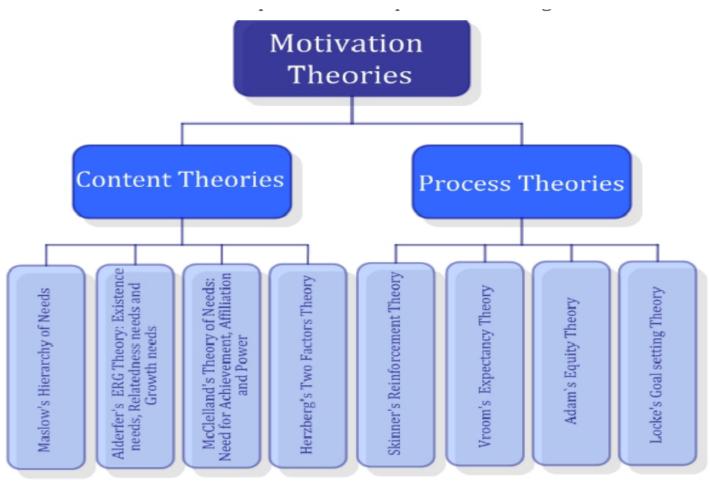
>Content theories focus on WHAT, while process theories focus on HOW human behavior is motivated. Content theories are also called needs theories: they try to identify what our needs are and relate motivation to the fulfilling of these needs. The content theories cannot entirely explain what motivate or demotivate us. >Process theories are concerned with "how" motivation occurs, and what kind of process can influence our motivation.

main content theories are:

- Maslow's needs hierarchy,
- Alderfer's ERG theory,
- McClelland's achievement motivation
- Herzberg's two-factor theory.

The **main process theories** are:

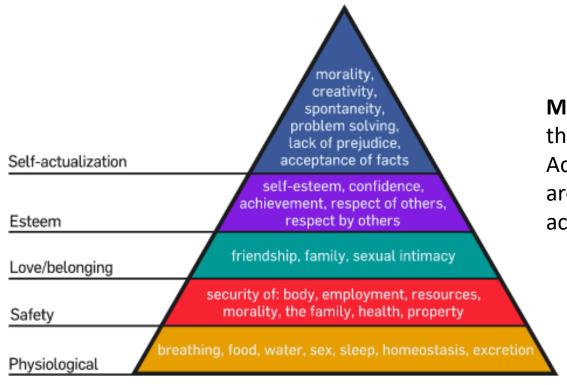
- Skinner's reinforcement theory,
- Victor Vroom's expectancy theory,
- Adam's equity theory and
- Locke's goal setting theory



Maslow - hierarchy of needs

This is the earliest and most widely known theory of motivation, developed by Abraham Maslow (1943) in the 1940s and 1950s.

This theory condenses needs into five basic categories. Maslow ordered these needs in his hierarchy, beginning with the basic psychological needs and continuing through safety, belonging and love, esteem (Regards) and self-actualization. In his theory, the lowest unsatisfied need becomes the dominant, or the most powerful and significant need. The most dominant need activates an individual to act to fulfil it. Satisfied needs do not motivate. Individual pursues to seek a higher need when lower needs are fulfilled.



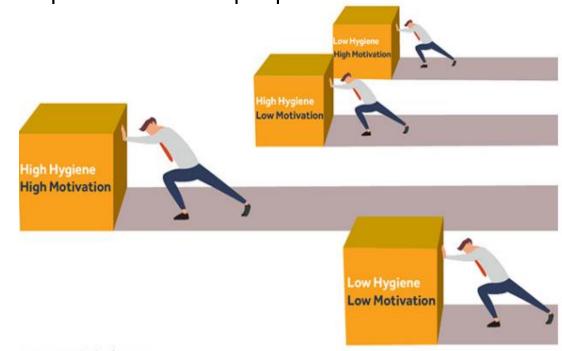
Maslow's Hierarchy of Needs: Maslow's hierarchy captures the varying degree of needs by which humans are motivated. According to the psychological perspective, decision makers are motivated by these needs and decisions are influenced accordingly.

Combinations of Two Factors

American psychologist **Frederick Herzberg** is regarded as one of the great original thinkers in management and motivational theory. Herzberg set out to determine the effect of attitude on motivation, by simply asking people to describe the times when they felt really good, and really bad, about their jobs. What he found was that people who felt good about their jobs gave very different responses from the people who felt bad.

Hygiene factors tend to represent more tangible, basic needs: job security, salary, and fringe benefits.

Motivation factors tend to represent less **tangible**, more emotional needs: include challenging work, recognition, relationships, and growth potential.



Limitations

- •Herzberg theory prioritizes the job satisfaction of the employee than productivity.
- •The theory as well ignores the variables that might arise in unpredictable situations.
- •The predicaments on job satisfaction measurement are only on theory.

Herzberg's Two-Factor Theory

The first piece of research that interests us was undertaken by Fredrick Herzberg in 1959 to investigate 'satisfaction at work.'

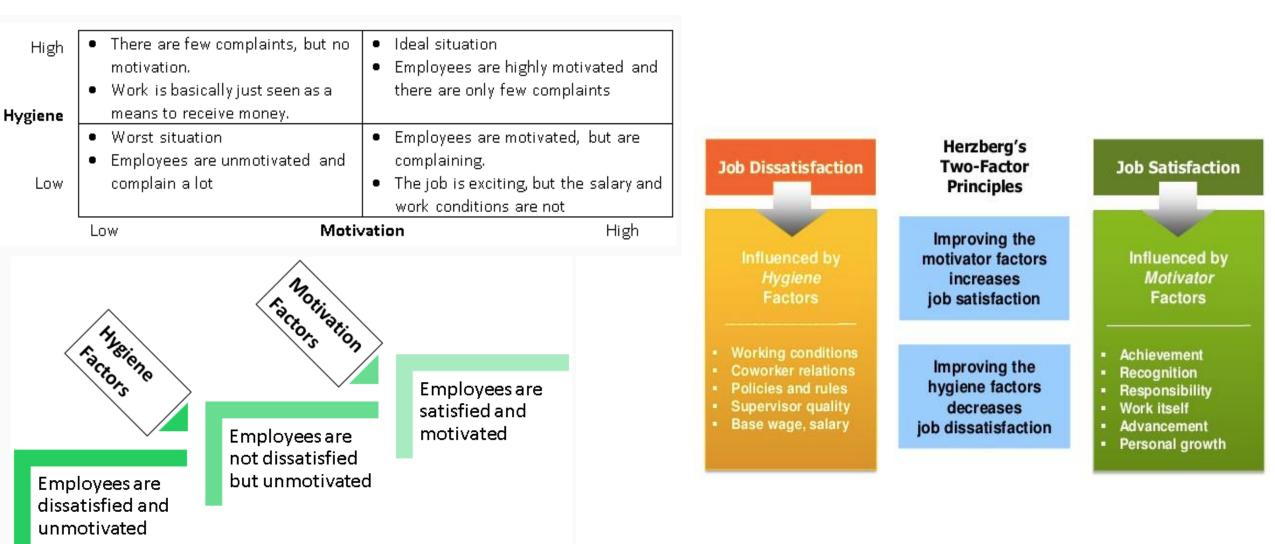
>> The result of this research became known as Herzberg's Hygiene Theory (or the Two Factor Theory) and showed that those factors that gave a person satisfaction at work and those that resulted in dissatisfaction are quite different in nature.

>> Herzberg referred to those things that influenced job satisfaction as 'Motivating Factors,' whilst he called those that influenced dissatisfaction at work 'Hygiene Factors.'



Herzberg's Two-Factor

Based on Herzberg's Two-factor theory of motivation and the two aspects of Hygiene factors and Motivation factors, there are four potential situations possible.



How to create greater job satisfaction?

- Herzberg provided mainly three aspects of creating greater job satisfaction. These are called **hygiene factors**:
- Pay scale: Being underpaid than peers can demotivate the worker to continue working.
- Work ethics: Competitive work ethics can not only motivate the team to perform well against others but also help in doing self-analysis on how far they are from peers.
- Job Security: Having a constant threat to the role that the worker is handling can cause serious discomfort and dissatisfaction to work there.
- Administrative Policies: Company policies that are flexible that works to the mental and health benefits of their employees help them to get give a better job output.
- Employee Benefits: Perks or benefits that employee reaps, plays an important role. Imagine not being able to attend to the family while the family is having a tough time through illness/death can cause demotivation to work.
- The rapport between the employees: An amicable relation with the team works a lot in favour of job output.

For job enlargement Herzberg brought forward the idea of removing control and at the same time increasing accountability and responsibility of the individual employees.

Theory X and Theory Y

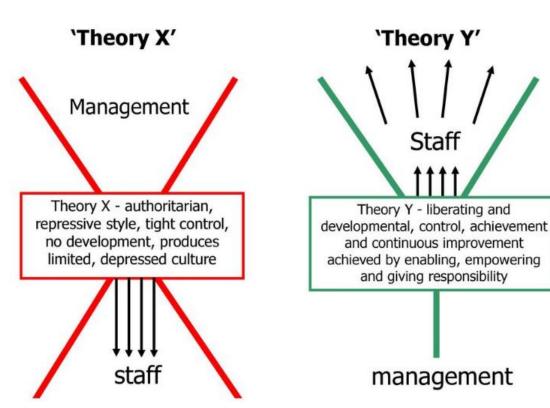
• Motivation is a huge part of success in life. No matter what it is that you are doing, you have to have the proper motivation if you are going to succeed in the end. This applies to individual pursuits in your life, and it certainly applies to business.



- > People don't want to work.
- > People don't like their jobs and they only work them because they need money.
- Without active management and direct supervision, employees will simply do as little as possible to get by (according to this theory).
- > In order to get the best out of the employees, plenty of management is necessary, meaning the structure of the business can become quite top-heavy.
- > Employees do not enjoy working for this type of company.
- > A company with low-skill workers, less educated may need to use Theory X in order to keep their team moving forward.

Theory Y

- > The employees are highly self-motivated
- > They need little encouragement from upper management to deliver quality
- They take responsibility for the role they play in the organization
- > There is less of a need for supervision over workers who are motivated
- Usually it is companies who employ a collection of educated, talented workers who are able to view their employees through the Theory Y







- Must be coerced, controlled, directed, or threatened with punishment
- Prefer direction, avoid responsibility, little ambition, want security



Theory Y Assumptions



- Self direction and self control
- Seek responsibility
- Imagination, creativity widely distributed
- Intellectual potential only partially utilized

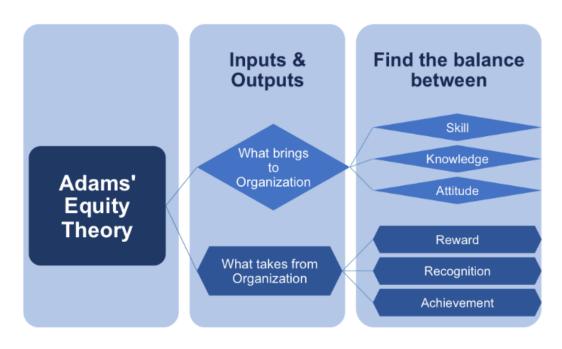
Adams' Equity Theory

Equity >> Comparing balance of effort and reward

- >> The ratio of input and output
- >> Balance or ratio enjoyed by other people

Why people can be happy and motivated or unhappy?





**For a business owner or manager, this is a particularly important lesson to learn with regard to employees. If you aren't treating your employees fairly, they are not going to be happy.

**At the core idea is that employee inputs and outputs need to match up as closely as possible. In other words, what an employee brings to the organization should be relatively equal to what that employee takes from the organization.

Employee Motivation - Reinforcement Theory

Reinforcement Theory aims at achieving the desired level of motivation among the employees by 4 activities.

Following are the methods for controlling the behavior of the employees -

- •Positive Reinforcement Positive reinforcement explains that, when an employee gives a positive and a required behavior, the response towards them should be positive. This motivates the employee who performs well.
- •Negative Reinforcement Negative reinforcement takes place when certain warning (s) or obstruction (s) is removed and the employee(s) responds to a desired behavior after such elimination. By removing the negative stimuli, the desired behavior is reinforced.
- •Punishment Punishment refers to imposing negative consequences or removing positive consequences with a view to preventing employee(s) from repeating undesirable and uncalled for behaviors. It can, therefore, be both positive and negative.
- •Extinction Extinction refers to extinguishing a learned behavior by withholding a positive reinforcement or reward that has encouraged the behavior.









THANKS