

Principles of Management

Theories of Motivation

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Intended Learning Outcomes

After completing this session, students should be able to;

1. Define what is Motivation and what is not
2. Explain the importance of Motivation for organizations
3. Broadly categorize the Theories of Motivation
4. Compare and contrast between them against their contributions and criticisms
5. Decide on which theory to be used when and where

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Misconceptions about Motivation

- *Current generation has no work ethic
- * Some people are born “lazy”
- * Most people are motivated by the same thing

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Why is Motivation Important?

- Under optimal conditions, effort can often be increased and sustained
- Delegation without constant supervision is always necessary
- Employees can become self-motivated
- Motivated employees can provide competitive advantage by offering suggestions & working to satisfy customers

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What is Motivation

The process by which a person's efforts are energized, directed and sustained toward attaining a goal.

Energy- how hard

Direction- towards organizational goals

Persistence- continuous effort

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Bottom Line

Motivation is accomplishing things through the efforts of others. If you cannot do this, you will fail as a manager.



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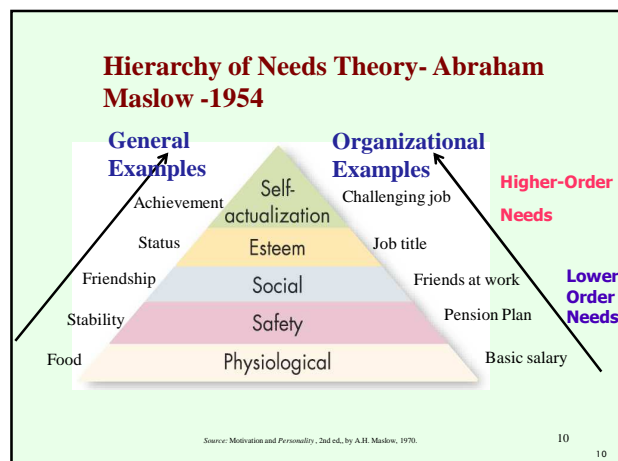
$$\text{Job performance} = f(\text{ability} \times \text{motivation} \times \text{organizational support})$$

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- ### MAJOR THEORIES OF MOTIVATION
- I. Need Approaches:**
- Maslow's Hierarchy of Needs
 - Alderfer's ERG Theory
 - Herzberg's Two Factor Theory
 - McClelland's Three Needs Theory
- II. Cognitive Approaches:**
- Expectancy Theory
 - Equity Theory/ Social Comparison
 - Goal Setting Theory
- III. Reinforcement Theory/ Operant Conditioning : *How Rewards & Reinforcements Sustain Motivation Over Time (Behavior Modification)***
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Need Theories

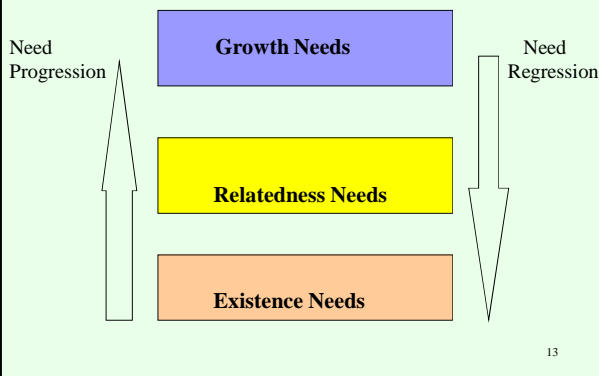
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- Behavior leading to self-actualization:**
- (a) Experiencing life like a child, with full absorption and concentration;
 - (b) Trying new things instead of sticking to safe paths;
 - (c) Listening to your own feelings in evaluating experiences instead of the voice of tradition, authority or the majority;
 - (d) Avoiding pretense and being honest;
 - (e) Taking responsibility and working hard;
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- ### “Issues” with Maslow’s Need Model
1. Few needs can arise at the same time, not a hierarchy
 2. Some may only have 2-3 need hierarchy
 3. All will not motivate in same manner
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2. ERG Theory - Alderfer



ERG Theory

There are three groups of core needs;

Core Needs:

Existence: provision of basic material requirements.
Relatedness: desire for relationships.
Growth: desire for personal development.

Concepts:

More than one need can be operative at the same time.
If a higher-level need cannot be fulfilled, the desire to satisfy a lower-level need increases.

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3. Two Factor Theory - Herzberg

Herzberg's Theory rests on two assumptions;

1.) Being satisfied with one's job is equivalent to being motivated;
("a satisfied worker is a motivated worker")

2.) No satisfaction \neq dissatisfaction

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Two Factor Theory.....

Determinants of Job Dissatisfaction are

Hygiene* Factors:

- Pay, fringe benefits
- Working conditions
- Quality of supervision
- Interpersonal relations

**Job Environment
Factors**

Determinants of Job Satisfaction are

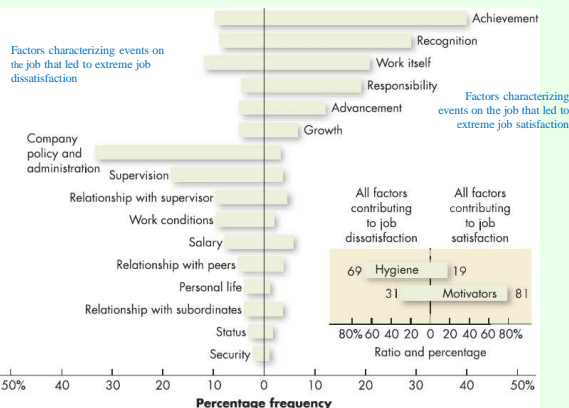
Motivator Factors:

- Work itself, responsibility
- Advancement
- Recognition

**Job Content
Factors**

* Poor hygiene can make you, sick, but good hygiene won't necessarily make you healthy

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Assessment of Two Factor Theory

Contributions

- Easy to understand
- 1st to argue that job content/job design was important
- Considered the work itself as a job satisfaction strategy

Criticisms

- Some individual differences, like desire for pay, rejected as a motivator.
- Also, not everyone wants an enriched job
- Assumes satisfaction (presence of motivators) = motivation

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4. Three Needs Theory - David McClelland

Individual Need	Work Preferences	Job Examples
Need for achievement	<ul style="list-style-type: none"> - Individual responsibility - Challenging but achievable goals - Feedback on performance 	Field sales person with <u>challenging quota</u> and opportunity to earn individual bonus
Need for affiliation	<ul style="list-style-type: none"> - Interpersonal relationships - Opportunities to communicate 	<u>Customer service representative</u> ; member of work unit subject to group wage bonus plan
Need for power	<ul style="list-style-type: none"> - Control over other persons - Attention - Recognition 	Formal position of <u>supervisory responsibility</u> ; appointment as head of special task force or committee

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A Comparison of Need Theories of Motivation

Maslow's Hierarchy of Needs	Alderfer's ERG Theory	Herzberg's Two Factor Theory	McClelland's Three Needs Theory
Self-Actualization	Growth	Motivator	Achievement
Esteem			Power
Belonging	Relatedness	Hygiene	
Security			Existence
Physiological			

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Cognitive Theories

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THE GOALS OF COGNITIVE THEORIES ARE TO EXPLAIN THOUGHTS ABOUT EFFORT:

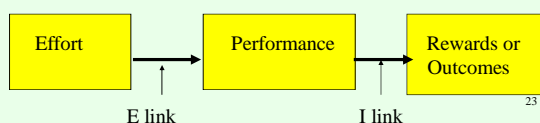
- 1.) the decision to make an effort
- 2.) the level of effort to exert
- 3.) how effort can be made to persist over time

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1. Expectancy Theory

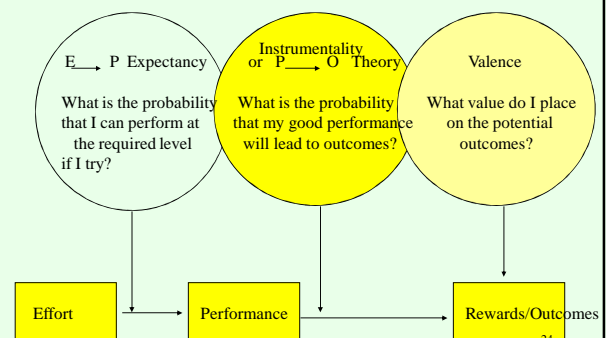
Involves 3 cognitions/perceptions:

1. Expectancy - the perceived probability that effort will lead to task performance. E link
2. Instrumentality - the perceived probability that performance will lead to rewards. I link
3. Valence - the anticipated value of a particular outcome to an individual.



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Expectancy Theory.....



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Implications for Managers

- Need to offer employees valued rewards (high valences)
- Need to ensure that if people are willing to put forth effort that you help them succeed. **Maintain the E link** (Provide tools, info, support)
- Need to make sure that you follow through with reward system that is tied to performance. **Maintain the I link** (Differential rewards for performance)

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2. Equity Theory

What is the basis of equity theory?

- People decide on putting effort only after a social comparison with a reference person.

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Equity Theory: The decision to exert effort is a function of social comparison

Involves 3 relevant perceptions:

1. Perceptions of outcomes received from performing a task. (e.g., pay)
2. Perceptions of inputs required to perform a task.
3. Perceptions of the outcomes and inputs of a REFERENCE PERSON.

$$\text{If: } \frac{\text{Outcomes}_{\text{Self}}}{\text{Inputs}_{\text{Self}}} = \frac{\text{Outcomes}_{\text{Reference Person}}}{\text{Inputs}_{\text{Reference Person}}}$$

Then equity exists.



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How does equity theory works?

- Employees mentally construct outcome-to-input ratios for themselves and their referent and “socially compare”
- If equity exists, you experience no tension and persist at your current level of effort
- When $\frac{\text{Outcome}_{\text{Self}}}{\text{Input}_{\text{Self}}} \neq \frac{\text{Outcome}_{\text{Reference person}}}{\text{Input}_{\text{Reference person}}}$

Tension is created and employees are “motivated” to restore equity

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Equity Theory

Equitable Situation:

$$\frac{\text{Outcomes}_{\text{Self}}}{\text{Job Inputs}_{\text{Self}}} = \frac{\text{Outcomes}_{\text{Reference Person}}}{\text{Job Inputs}_{\text{Reference Person}}}$$

Inequitable Situations:

- A. Under-reward or “Cheated” (from Self’s point of view)

$$\text{Outcomes/Inputs}_{\text{Self}} \frac{4}{5} < \text{Outcomes/Inputs}_{\text{Reference Person}} \frac{5}{5}$$

- B. Over-reward or “Guilty” (from Self’s point of view)

$$\text{Outcomes/Inputs}_{\text{Self}} \frac{5}{4} > \text{Outcomes/Inputs}_{\text{Reference Person}} \frac{5}{5}$$

- C. Either way, a person is “motivated” to restore equity

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Restoring

Equity

Under-reward:

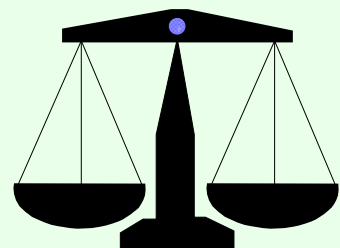
Increase outcomes
Reduce inputs

Over-reward:

Increase inputs
Reduce Outcomes (?)
-criticism of equity theory

Other Options:

Leave situation
Alter perceptions
Change reference person



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3. Goal Setting Theory

Reasoning behind goal setting;

Direction - specific goals direct your focus to relevant activities

Effort - need to devote more intense levels of effort toward difficult goals - assumes people are goal driven

Persistence - specific, difficult goals encourage you to persist longer at a task than would be the case without such goals

Only possible exception is high “uncertainty avoidance” cultures.



Reinforcement/operant conditioning

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Reinforcement Theory of Motivation

- Some view as an explanation of motivation; others limit it to how motivation is sustained over time.
- Does not have to rely on needs, perceptions or cognitions. Managers can design work environment to provide “**reinforcers**” that strengthen desired behaviors & weaken undesired behaviors.
- **“Motivation is a function of the environment”.**

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Motivation as a Form of Learning: The Law of Effect

- Behavior that leads toward rewards tends to be repeated
- Behavior that tends to lead toward no rewards or towards punishment tends to be avoided

The type of reinforcement & the timing (schedule) of reinforcement are key

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Reinforcers Which Strengthen Behavior: What managers can do to *increase* the probability of behavior in the future

a. **Positive reinforcement**--rewards contingent on exhibiting the correct behavior.



b. **Negative reinforcement**—withholding something unpleasant when a desired behavior is engaged in (e.g., an annoying alarm is avoided when a machine is used properly, not operating in reverse). Or, using social learning, noticing how engaging in some behavior avoids an unpleasant outcome.
(e.g., arrive on time and then boss does not shout).

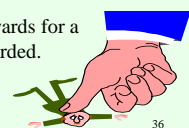
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Reinforcers Which Weaken Behavior: What managers can do to *decrease* the probability of behavior in the future

a. **Punishment**--administering unpleasant consequences following an undesirable behavior.



b. **Extinction**--when there are no rewards for a behavior which was previously rewarded.



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Timing of Reinforcement

- a. How quickly reinforcers work depends on their timing
- b. Continuous. Used to “shape” new behaviors
- c. But continuous reinforcement is impractical
 - 1. Costly
 - 2. Not as effective in sustaining behavior over time

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Partial Reinforcement Schedules

1. Based on passage of time

Fixed Interval- Reinforcer given after set period of time.

Ex.: Weekly pay.

Variable Interval- Reinforcer given randomly with passage of time.

Ex.: Surprise bonus based on time.

2. Based on behavior exhibited by the employee (team)

Fixed Ratio- Reinforcers based on behaviors.

Ex.: Piece rate pay.

Variable Ratio- Reinforcers applied randomly after exhibition of behaviors.

Ex.: A company vacation to Hawaii for all employees after a new contract landed; spot bonuses.

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Summary of Theories of Motivation

- View all these approaches as a “bag of tricks.” Alternatives to choose from, remembering that all are not compatible.
- Judge whether you believe each “works.” Rely on the scientific data presented, your experiences, and your common sense.
- Evaluate your prospects for successfully implementing each one.
- The question is not whether each of these approaches to motivation works, but where and when they work best.

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