

MOTIVATION & LEADING

Motivation is the word derived from the word 'motive' which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. In the work goal context the psychological factors stimulating the people's behaviour can be -

- desire for money
- success
- recognition
- job-satisfaction
- team work, etc

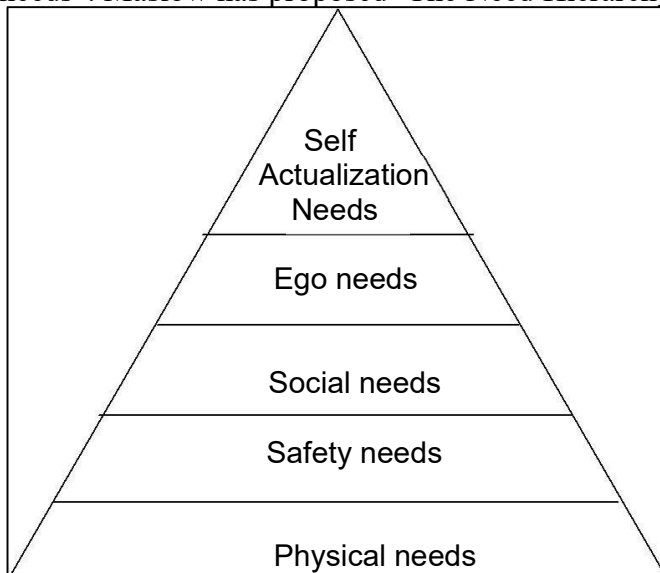
One of the most important functions of management is to create willingness amongst the employees to perform in the best of their abilities. Therefore the **role of a leader** is to arouse interest in performance of employees in their jobs. The process of motivation consists of three stages:-

1. A felt need or drive
2. A stimulus in which needs have to be aroused
3. When needs are satisfied, the satisfaction or accomplishment of goals.

Therefore, we can say that motivation is a psychological phenomenon which means needs and wants of the individuals have to be tackled by framing an incentive plan.

Maslow's Need Hierarchy Model

Human behavior is goal-directed. Motivation cause goal-directed behaviour. It is through motivation that needs can be handled and tackled purposely. This can be understood by understanding the hierarchy of needs by manager. The needs of individual serves as a driving force in human behaviour. Therefore, a manager must understand the "hierarchy of needs". Maslow has proposed "The Need Hierarchy Model".



Physiological needs- These are the basic needs of an individual which includes food, clothing, shelter, air, water, etc. These needs relate to the survival and maintenance of human life.

Safety needs- These needs are also important for human beings. Everybody wants job security, protection against danger, safety of property, etc.

Social needs- These needs emerge from society. Man is a social animal. These needs become important. For example- love, affection, belongingness, friendship, conversation, etc.

Esteem needs- These needs relate to desire for self-respect, recognition and respect from others.

Self-actualization needs- These are the needs of the highest order and these needs are found in those person whose previous four needs are satisfied. This will include need for social service, meditation.

Herzberg's Two-factors Theory:

Maslow's theory has been modified by Herzberg and he called in two-factors theory of motivation. According to him the first group of needs are such things as company policy and administration, supervision, working conditions, interpersonal relations, salary, status, job security and personal life.

“Herzberg called these factors as ‘dis satisfiers ’and not motivators, by this he means their presence or existence does not motivate in the sense of yielding satisfaction, but their absence would result in dissatisfaction. These are also referred to as ‘hygiene ’factors.

In the second group are the ‘satisfiers ’in the sense that they are motivators, which are related to ‘Job content’. He included the factors of achievement, recognition, challenge work, advancement and growth in the job. He says that their presence will yield feelings of satisfactory or no satisfaction, but not dissatisfaction.

Maintenance factors or dissatisfier

Job context

Company policy and Administration

Motivational factor or satisfier

Job content

Achievement

Vroom's Expectancy Theory :

Individual factors

According to Victor Vroom, behaviour is the result of a conscious choice from alternatives. Employees have a preference for getting the most possible joy from their work with little effort.

Individual factors play a large role in the goals that have to be achieved and the behaviour of employees. For instance, think of an employee's personality, his knowledge and skills, and the expectations he has of his own abilities.

Together, these form a motivating force that makes the employee act in a certain way. The individual effort, performance and motivation are always interconnected. To properly motivate employees, Vroom argues that it's essential that there is a positive correlation between effort and performance.

EXPECTANCY — INSTRUMENTALLY— VALENCE

Application of Vroom's Expectancy Theory :

According to Vroom's theory, you can expect employees will increase their efforts at work when the reward has more personal value to them. They'll be more aware of the fact that there is a link between their effort and the results. It means that both the organisation and the employee have to be aware of the following three processes:

1. Increased efforts will improve work performance
2. Increased performance will lead to bigger rewards
3. The offered reward will be appreciated by the employee

If one of these conditions is not met, it's hard to motivate the employee. Particularly the last part can become an issue. An organisation therefore has to find out – together with its employees – which rewards individual employees value; which rewards motivate them.

Organisations often consider financial bonuses to be the best way to motivate employees, even though this theory shows that this is by no means always the most important factor to employees. That's why there has to be a proper balance between offering a financial bonus and setting a clear performance standard, tailored to individual employees.

Expectancy

This is about what employees expect from their own efforts (expected outcome) and the relation to good performance and outcomes (performance expectancy). Part of this expectation is the level of difficulty he experiences, i. e. goal difficulty.

An organisation can respond to that by finding out which factors can motivate the employee to deliver his best possible performance. It's about the connection between performance and right sources of motivation.

Those factors can be facilities, training or support from a supervisor who builds his employees' confidence. Victor Vroom indicates that, in general, more effort leads to better performance. Employees can be stimulated to make an effort by offering them a juicy carrot if they complete their task properly and quickly.

Of course, it's also important that they have the right resources at their disposal, that the employees have the necessary skills and that management provides the right level of support.

Instrumentality

Each employee is a cog in the machine and an instrument that contributes to the business results. Instrumentality is the belief and from that perspective, instrumentality isn't difficult to grasp. It's about the employee's **performance** being good enough to achieve the desired outcome.

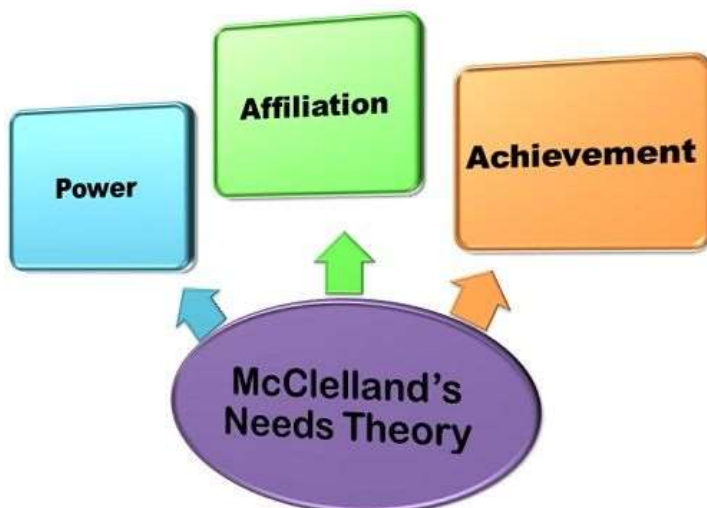
An organisation can stimulate this by actually making good on promises of additional rewards such as bonuses or **promotion**. The employee has to believe that if he performs well, appreciation will be shown for the results. Transparency throughout the reward process is an important condition for instrumentality.

Valence

The final result that employees achieve is valued differently by each individual. This value is based on their own basic needs. As such, it's a good idea for an organisation to find out what an individual employee values and what his personal needs are like sources of motivation. One might value money, while another values more days off.

McClelland's Needs Theory

Definition: McClelland's Needs Theory was proposed by a psychologist David McClelland, who believed that the specific needs of the individual are acquired over a period of time and gets molded with one's experience of the life. McClelland's Needs Theory is sometimes referred to as **Three Need theory** or **Learned Needs Theory**. McClelland has identified three basic motivating needs, Viz. Need for Power, Need for Affiliation and Need for Achievement and, along with his associates performed a considerable research work on these basic needs.



Need for Power (n-pow): What is Power? Power is the ability to induce or influence the behavior of others. The people with high power needs seek high-level positions in the organization, so as to exercise influence and control over others. Generally, they are outspoken, forceful, demanding, practical/realistic-not sentimental, and like to get involved in the conversations.

Need for Affiliation (n-affil): People with high need for affiliation derives pleasure from being loved by all and tend to avoid the pain of being rejected. Since, the human beings are social animals, they like to interact and be with others where they feel, people accept them. Thus, people with these needs like to maintain the pleasant social relationships, enjoy the sense of intimacy and like to help and console others at the time of trouble.

Need for Achievement (n-ach):

McClelland found that some people have an intense desire to achieve. He has identified the following characteristics of high achievers:

- High achievers take the moderate risks, i.e. a calculated risk while performing the activities in the management context. This is opposite to the belief that high achievers take high risk.
- High achievers seek to obtain the immediate feedback for the work done by them, so as to know their progress towards the goal.
- Once the goal is set, the high achiever puts himself completely into the job, until it gets completed successfully. He will not be satisfied until he has given his 100% in the task assigned to him.
- A person with a high need for achievement accomplishes the task that is intrinsically satisfying and is not necessarily accompanied by the material rewards. Though he wants to earn money, but satisfaction in the accomplishment of work itself gives him more pleasure than merely the cash reward.

Hence, McClelland's Needs Theory posits that the person's level of effectiveness and motivation is greatly influenced by these three basic needs.

MC Gregor'S Theory X and Theory Y

In 1960, Douglas McGregor formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees): one of which is negative, called as Theory X and the other is positive, so called as Theory Y. According to McGregor, the perception of managers on the nature of individuals is based on various assumptions.

Assumptions of Theory X

- An average employee intrinsically does not like work and tries to escape it whenever possible.

- Since the employee does not want to work, he must be persuaded, compelled, or warned with punishment so as to achieve organizational goals. A close supervision is required on part of managers. The managers adopt a more dictatorial style.
- Many employees rank job security on top, and they have little or no aspiration/ambition.
- Employees generally dislike responsibilities.
- Employees resist change.
- An average employee needs formal direction.

Assumptions of Theory Y

- Employees can perceive their job as relaxing and normal. They exercise their physical and mental efforts in an inherent manner in their jobs.
- Employees may not require only threat, external control and coercion to work, but they can use self-direction and self-control if they are dedicated and sincere to achieve the organizational objectives.
- If the job is rewarding and satisfying, then it will result in employees' loyalty and commitment to organization.
- An average employee can learn to admit and recognize the responsibility. In fact, he can even learn to obtain responsibility.
- The employees have skills and capabilities. Their logical capabilities should be fully utilized. In other words, the creativity, resourcefulness and innovative potentiality of the employees can be utilized to solve organizational problems.

Thus, we can say that Theory X presents a pessimistic view of employees' nature and behaviour at work, while Theory Y presents an optimistic view of the employees' nature and behaviour at work. If correlate it with Maslow's theory, we can say that Theory X is based on the assumption that the employees emphasize on the physiological needs and the safety needs; while Theory Y is based on the assumption that the social needs, esteem needs and the self-actualization needs dominate the employees.

McGregor views Theory Y to be more valid and reasonable than Theory X. Thus, he encouraged cordial team relations, responsible and stimulating jobs, and participation of all in decision-making process.

Implications of Theory X and Theory Y

Quite a few organizations use Theory X today. Theory X encourages use of tight control and supervision. It implies that employees are reluctant to organizational changes. Thus, it does not encourage innovation.

Many organizations are using Theory Y techniques. Theory Y implies that the managers should create and encourage a work environment which provides opportunities to employees to take initiative and self-direction. Employees should be given opportunities to contribute to organizational well-being. Theory Y encourages decentralization of authority, teamwork and participative decision making in an organization. Theory Y searches and discovers the ways in which an employee can make significant contributions in an organization. It harmonizes and matches employees' needs and aspirations with organizational needs and aspirations.

Adam's Equity Theory

Definition: The **Adam's Equity Theory** posits that people maintain a fair relationship between the performance and rewards in comparison to others. In other words, an employee gets de-motivated by the job and his employer in case his inputs are more than the outputs.

The Adam's Equity Theory was proposed by John Stacey Adams, and is based on the following assumptions:

- Individuals make contributions (inputs) for which they expect certain rewards (outcomes).
- To validate the exchange, an individual compares his input and outcomes with those of others and try to rectify the inequality.

There are three types of exchange relationships that arise when an individual input/outcomes are compared with that of the other persons.

1. **Overpaid Inequity:** When an individual perceives that his outcomes are more as compared to his inputs, in relation to others. The overpaid inequity can be expressed as:

$$\frac{\text{Person's Outcome}}{\text{Person's Inputs}} > \frac{\text{Other's Outcome}}{\text{Other's Inputs}}$$

2. **Underpaid Inequity:** When an individual perceives that his outcomes are less as compared to his inputs, in relation to others. The Underpaid Equity can be expressed as:

$$\frac{\text{Person's Outcomes}}{\text{Person's Inputs}} < \frac{\text{Other's Outcomes}}{\text{Other's Inputs}}$$

3. **Equity:** An individual perceives that his outcomes in relation to his inputs are equal to those of others. The equity can be expressed as

$$\frac{\text{Person's Outcomes}}{\text{Person's Inputs}} = \frac{\text{Other's Outcomes}}{\text{Other's Inputs}}$$

4. Thus, Adam's equity theory shows the level of motivation among the individuals in the working environment. An individual is said to be highly motivated if he perceives to be treated fairly. While the feelings of de-motivation arise, if an individual perceives to be treated unfairly in the organization.

Thus, an individual's level of motivation depends on the extent he feels being treated fairly, in terms of rewards, in comparison to others.

Locke's Goal Setting Theory of Motivation

Goal-setting theory of motivation states that specific and challenging goals along with appropriate feedback contribute to higher and better task performance.

Goals indicate and give direction to an employee about what needs to be done and how much effort is required to be put in.

In the 1960s, Edwin Locke put forward the goal-setting theory of motivation. The theory states that goal setting is essentially linked to task performance.

1. Clarity

Clear goals are measurable and unambiguous.

When a goal is clear and specific, with a definite time set for completion, there is less misunderstanding about what behaviors will be rewarded.

“Reduce job turnover by 15%” or “Respond to employee suggestions within 48 hours” are examples of clear goals.

2. Challenge

One of the most important **characteristics of goals** is the level of challenge.

People are often motivated by achievement, and they’ll judge a goal based on the significance of the anticipated accomplishment. Rewards typically increase for more difficult goals. If you believe you’ll be well compensated or otherwise rewarded for achieving a challenging goal that will boost your enthusiasm and your drive to get it done.

If an assignment is easy and not viewed as very important – and if you or your employee doesn’t expect the accomplishment to be significant – then the effort may not be impressive.

3. Commitment

Goals must be understood and agreed upon if they are to be effective. Employees are more likely to “buy into” a goal if they feel they were part of creating that goal.

The notion of participative management rests on this idea of involving employees in setting goals and making decisions.

4. Feedback

In addition to selecting the right type of goal, an effective goal program must also include feedback. Feedback provides opportunities to clarify expectations, adjust goal difficulty, and gain recognition.

It’s important to provide benchmark opportunities or targets, so individuals can determine for themselves how they’re doing.

5. Task complexity

The last factor in the goal-setting theory introduces two more requirements for success. For goals or assignments that are highly complex, take special care to ensure that the work doesn’t become too overwhelming.

Goal-setting theory has certain eventualities such as Self-efficiency and Goal commitment.

6. Self-efficiency

Self-efficiency is the individual’s self-confidence and faith that he has potential.

if performing the task. Higher the level of self-efficiency, greater will be the efforts put in by the individual when they face challenging tasks.

While lower the level of self-efficiency, less will be the efforts put in by the individual or he might even quit while meeting challenges.

7. Goal commitment

The goal-setting theory assumes that the individual is committed to the goal and will not leave the goal. The goal commitment is dependent on the following factors:

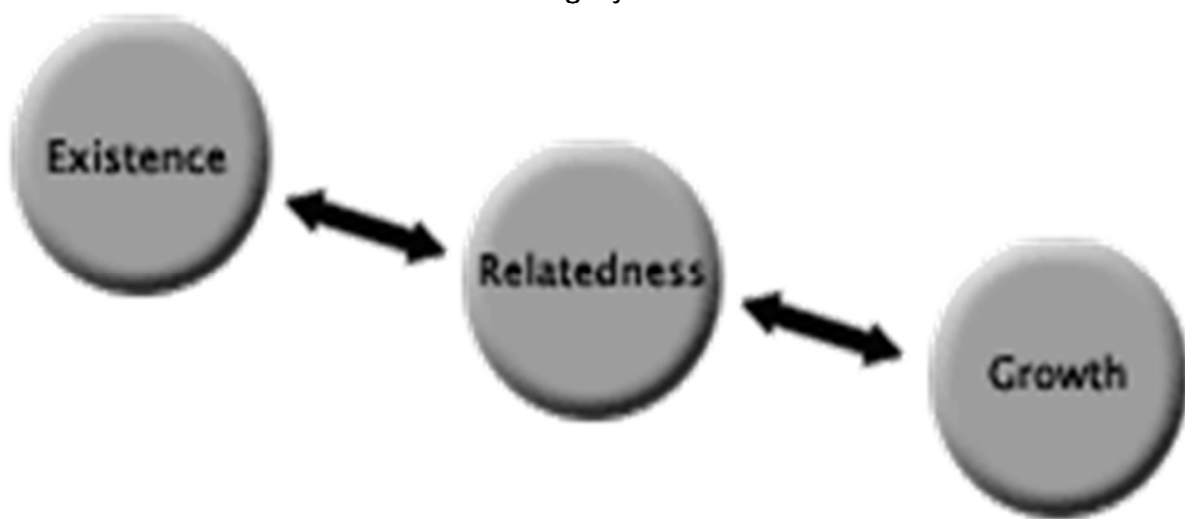
- Goals are made open, known and broadcasted.
- Goals should be set-self by individuals rather than designated.

The individual's set should be consistent with **organizational goals** and vision.

ERG Theory of Motivation

To bring Maslow's need hierarchy theory of motivation in synchronization with empirical research, Clayton Alderfer redefined it in his own terms. His rework is called as ERG theory of motivation. He recategorized Maslow's hierarchy of needs into three simpler and broader classes of needs:

- **Existence needs-** These include need for basic material necessities. In short, it includes an individual's physiological and physical safety needs.
- **Relatedness needs-** These include the aspiration individual's have for maintaining significant interpersonal relationships (be it with family, peers or superiors), getting public fame and recognition. Maslow's social needs and external component of esteem needs fall under this class of need.
- **Growth needs-** These include need for self-development and personal growth and advancement. Maslow's self-actualization needs and intrinsic component of esteem needs fall under this category of need.



Difference between Maslow Need Hierarchy Theory and Alderfer's ERG Theory

- ERG Theory states that at a given point of time, more than one need may be operational.
- ERG Theory also shows that if the fulfillment of a higher-level need is subdued, there is an increase in desire for satisfying a lower-level need.
- According to Maslow, an individual remains at a particular need level until that need is satisfied. While according to ERG theory, if a higher-level need aggravates, an individual may revert to increase the satisfaction of a lower-level need. This is called frustration-regression aspect of ERG theory. For instance- when growth need aggravates, then an individual might be motivated to

accomplish the relatedness need and if there are issues in accomplishing relatedness needs, then he might be motivated by the existence needs. Thus, frustration/aggravation can result in regression to a lower-level need.

- While Maslow's need hierarchy theory is rigid as it assumes that the needs follow a specific and orderly hierarchy and unless a lower-level need is satisfied, an individual cannot proceed to the higher-level need; ERG Theory of motivation is very flexible as he perceived the needs as a range/variety rather than perceiving them as a hierarchy. According to Alderfer, an individual can work on growth needs even if his existence or relatedness needs remain unsatisfied. Thus, he gives explanation to the issue of "starving artist" who can struggle for growth even if he is hungry.