Chapter Learning Objectives

After studying this chapter, you should be able to:

- Describe the three elements of motivation.
- Identify four early theories of motivation and evaluate their applicability today.
- Apply the predictions of Cognitive Evaluation theory to intrinsic and extrinsic rewards.
- Compare and contrast goal-setting theory and Management by Objectives.
- Contrast reinforcement theory and goal-setting theory.
- Demonstrate how organizational justice is a refinement of equity theory.
- Apply the key tenets of expectancy theory to motivating employees.
- Compare contemporary theories of motivation.
- Explain to what degree motivation theories are culture-bound.
Defining Motivation

*The result of the interaction between the individual and the situation.*

- The processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal – specifically, an organizational goal.

- Three key elements:
  - **Intensity** – how hard a person tries
  - **Direction** – effort that is channeled toward, and consistent with, organizational goals
  - **Persistence** – how long a person can maintain effort
Early Theories of Motivation

These early theories may not be valid, but they do form the basis for contemporary theories and are still used by practicing managers.

- Maslow’s Hierarchy of Needs Theory
  - Alderfer’s ERG (Existence, Relatedness, and Growth)
- McGregor’s Theory X and Theory Y
- Herzberg’s Two-Factor Theory
- McClelland’s Theory of Needs
Maslow’s Hierarchy of Needs

There is a hierarchy of five needs. As each need is substantially satisfied, the next need becomes dominant.

Assumptions

- Individuals cannot move to the next higher level until all needs at the current (lower) level are satisfied.
- Must move in hierarchical order.

Higher Order Internal
- Self-Actualization
- Esteem
- Social

Lower Order External
- Safety
- Physiological

See Exhibit 6-1
Alderfer’s ERG Theory

A reworking of Maslow to fit empirical research.

Three groups of core needs:
- **Existence** (Maslow: physiological and safety)
- **Relatedness** (Maslow: social and status)
- **Growth** (Maslow: esteem and self-actualization)

Removed the hierarchical assumption
- Can be motivated by all three at once

Popular, but not accurate, theory
McGregor’s Theory X and Theory Y

- Two distinct views of human beings: Theory X (basically negative) and Theory Y (positive).
  - Managers used a set of assumptions based on their view
  - The assumptions molded their behavior toward employees

<table>
<thead>
<tr>
<th>Theory X</th>
<th>Theory Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Workers have little ambition</td>
<td>• Workers are self-directed</td>
</tr>
<tr>
<td>• Dislike work</td>
<td>• Enjoy work</td>
</tr>
<tr>
<td>• Avoid responsibility</td>
<td>• Accept responsibility</td>
</tr>
</tbody>
</table>

- No empirical evidence to support this theory.
Herzberg’s Two-Factor Theory

Key Point: Satisfaction and dissatisfaction are not opposites but separate constructs

Extrinsic and Related to Dissatisfaction
- Company Policies
- Salary
- Work Conditions

Intrinsic and Related to Satisfaction
- Growth
- Responsibility
- Achievement

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See EXHIBITS 6-2 and 6-3
Criticisms of Two-Factor Theory

Herzberg says that hygiene factors must be met to remove dissatisfaction. If motivators are given, then satisfaction can occur.

- **Herzberg is limited by his procedure**
  - Participants had self-serving bias
- **Reliability of raters questioned**
  - Bias or errors of observation
- **No overall measure of satisfaction was used**
- **Herzberg assumed, but didn’t research, a strong relationship between satisfaction and productivity**
McClelland’s Three Needs Theory

- **Need for Achievement (nAch)**
  - The drive to excel, to achieve in relation to a set of standards, to strive to succeed

- **Need for Power (nPow)**
  - The need to make others behave in a way that they would not have behaved otherwise

- **Need for Affiliation (nAff)**
  - The desire for friendly and close interpersonal relationships

- **People have varying levels of each of the three needs.**
  - Hard to measure
Performance Predictions for High nAch

People with a high need for achievement are likely to:

- Prefer to undertake activities with a 50/50 chance of success, avoiding very low- or high-risk situations
- Be motivated in jobs that offer high degree of personal responsibility, feedback, and moderate risk
- Not necessarily make good managers – too personal a focus. Most good general managers do NOT have a high nAch
- Need high level of nPow and low nAff for managerial success

Good research support, but it is not a very practical theory
Contemporary Theories of Motivation

- Cognitive Evaluation Theory
- Goal-Setting Theory
  - Management by Objectives (MBO)
- Self-Efficacy Theory
  - Also known as Social Cognitive Theory or Social Learning Theory
- Reinforcement Theory
- Equity Theory
- Expectancy Theory
Cognitive Evaluation Theory

Providing an extrinsic reward for behavior that had been previously only intrinsically rewarding tends to decrease the overall level of motivation

➢ Major Implications for work rewards
  – Intrinsic and extrinsic rewards are not independent
  – Extrinsic rewards decrease intrinsic rewards
  – Pay should be noncontingent on performance
  – Verbal rewards increase intrinsic motivation; tangible rewards reduce it

➢ Self-concordance
  – When the personal reasons for pursuing goals are consistent with personal interests and core values (intrinsic motivation), people are happier and more successful

See EXHIBIT 6-4
Locke’s Goal-Setting Theory

- **Basic Premise:**
  - That *specific* and *difficult* goals, with *self-generated feedback*, lead to higher performance

- **Difficult Goals:**
  - Focus and direct attention
  - Energize the person to work harder
  - Difficulty increases persistence
  - Force people to be more effective and efficient

- **Relationship between goals and performance depends on:**
  - Goal commitment (the more public the better!)
  - Task characteristics (simple, well-learned)
  - Culture (best match is in North America)
MBO is a systematic way to utilize goal-setting.

Goals must be:
- Tangible
- Verifiable
- Measurable

Corporate goals are broken down into smaller, more specific goals at each level of organization.

Four common ingredients to MBO programs:
- Goal specificity
- Participative decision making
- Explicit time period
- Performance feedback
Bandura’s Self-Efficacy Theory

- An individual’s belief that he or she is capable of performing a task.
  - Higher efficacy is related to:
    - Greater confidence
    - Greater persistence in the face of difficulties
    - Better response to negative feedback (work harder)
  - Self-Efficacy complements Goal-Setting Theory.
Increasing Self-Efficacy

- **Enactive mastery**
  - Most important source of efficacy
  - Gaining relevant experience with task or job
  - “Practice makes perfect”

- **Vicarious modeling**
  - Increasing confidence by watching others perform the task
  - Most effective when observer sees the model to be similar to him- or herself

- **Verbal persuasion**
  - Motivation through verbal conviction
  - Pygmalion and Galatea effects - self-fulfilling prophecies

- **Arousal**
  - Getting “psyched up” – emotionally aroused – to complete task
  - Can hurt performance if emotion is not a component of the task
Reinforcement Theory

Similar to Goal-Setting Theory, but focused on a behavioral approach rather than a cognitive one.

- Behavior is environmentally caused
- Thought (internal cogitative event) is not important
  - Feelings, attitudes, and expectations are ignored
- Behavior is controlled by its consequences – reinforcers
- Is not a motivational theory but a means of analysis of behavior
- Reinforcement strongly influences behavior but is not likely to be the sole cause
Adams’ Equity Theory

- Employees compare their ratios of outcomes-to-inputs of relevant others.
  - When ratios are equal: state of equity exists – there is no tension as the situation is considered fair
  - When ratios are unequal: tension exists due to unfairness
    - Underrewarded states cause anger
    - Overrewarded states cause guilt
  - Tension motivates people to act to bring their situation into equity
Can be four different situations:

- Self-Inside
  - The person’s experience in a different job in the same organization
- Self-Outside
  - The person’s experience in a different job in a different organization
- Other-Inside
  - Another individual or group within the organization
- Other-Outside
  - Another individual or group outside of the organization
Reactions to Inequity

- **Employee behaviors to create equity:**
  - Change inputs (slack off)
  - Change outcomes (increase output)
  - Distort/change perceptions of self
  - Distort/change perceptions of others
  - Choose a different referent person
  - Leave the field (quit the job)

- **Propositions relating to inequitable pay:**
  - Paid by time:
    - Overrewarded employees produce more
    - Underrewarded employees produce less with low quality
  - Paid by quality:
    - Overrewarded employees give higher quality
    - Underrewarded employees make more of low quality
Justice and Equity Theory

Distributive Justice
- Fairness of outcome

Procedural Justice
- Fairness of outcome process

Interactional Justice
- Being treated with dignity and respect

Organizational Justice

Overall perception of what is fair in the workplace.
Vroom’s Expectancy Theory

The strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of the outcome to the individual.

- Expectancy of performance success
- Instrumentality of success in getting reward
- Valuation of the reward in employee’s eyes

See EXHIBIT 6-9
Integrating Contemporary Motivation Theories

✔ Based on Expectancy Theory
Global Implications

- Motivation theories are often culture-bound.
  - Maslow’s Hierarchy of Needs Theory
    • Order of needs is not universal
  - McClelland’s Three Needs Theory
    • nAch presupposes a willingness to accept risk and performance concerns – not universal traits
  - Adams’ Equity Theory
    • A desire for equity is not universal
    • “Each according to his need” – socialist/former communists

- Desire for interesting work seems to be universal.
  - There is some evidence that the intrinsic factors of Herzberg’s Two-Factor Theory may be universal
Summary and Managerial Implications

- Need Theories (Maslow, Alderfer, McClelland, Herzberg)
  - Well known, but not very good predictors of behavior
- Goal-Setting Theory
  - While limited in scope, good predictor
- Reinforcement Theory
  - Powerful predictor in many work areas
- Equity Theory
  - Best known for research in organizational justice
- Expectancy Theory
  - Good predictor of performance variables but shares many of the assumptions as rational decision making