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5 Motivation



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Achievement requires effort

The Key Point

Even with great talents some people fail to achieve great things. In some cases it's because they just aren't willing to work hard enough to achieve high performance. When individuals underachieve, so do their organizations. An understanding of motivation theories can help turn such situations around.

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What Is Motivation?

**LEARNING
ROADMAP**

MOTIVATION DEFINED • MOTIVATION THEORIES

Motivation Defined

Parable: Once upon a time there was a horse standing knee deep in a field of carrots, contentedly munching away. A farmer wanted the horse to pull a wagon to another field, but she couldn't get the horse to come over to the fence and be harnessed. So, she stood by the wagon and held up a bunch of carrots for the horse to see. But, the horse continued to munch away on the carrots in the field.¹

“What,” you might be asking, “do horses and carrots have to do with human behavior in organizations?” The answer is **motivation**. Think of it as the forces within the individual that account for the direction, level, and persistence of effort expended at work. *Direction* refers to an individual's choice among alternative ends or goals. *Level* refers to the amount of effort put forth. *Persistence* refers to the length of time a person sticks with a path of action, even in face of difficulty.

With our co-workers and teammates, and with those we supervise and those who supervise us, we are often like the farmer in our opening parable: We'd really like someone to do something for us or for the team or organization, and we reach for some sort of incentive to try and “motivate” them to do so. All too often these attempts aren't any more successful than that of the farmer in the field.

Motivation Theories

Many years of OB scholarship have created a rich foundation of research and thinking about motivation. Even as that research continues to evolve, a number of core “content” and “process” theories help us to think more rigorously and systematically about what turns people on and off in their work.² Although no single theory offers an absolutely best explanation, each is valuable in its own way. By combining insights from the available theories with wisdom gained through our experiences, we have a good chance of developing personal models of motivation that work well for us in most situations.

The **content theories** of motivation focus primarily on individual needs—physiological or psychological deficiencies that we feel a compulsion to reduce or eliminate. These theories try to explain the behaviors people display at work as a search for pathways to satisfy important needs or as reactions to blocked needs. Examples to be discussed in this chapter are Maslow's hierarchy of needs theory, Alderfer's ERG theory, McClelland's acquired needs theory, and Herzberg's two-factor theory.

Something to Read—Drive: The Surprising Truth About What Motivates Us



Author Daniel Pink believes that real drive—think of it as a willingness to work hard to accomplish a goal—comes from intrinsic motivation. In his book, *Drive*, Pink sets out the notion that we are more motivated to do things that we enjoy than to do things merely to get extrinsic rewards. Although most of us need to work for a living, once a minimum amount of pay and job security is achieved the motivational kick comes mainly from intrinsic motivation. This “motivation from the inside” happens when we are able to do things that are meaningful to us, things we pursue because we want to and not because we're told we have to do them. Employers can tap the potential of intrinsic motivation by giving workers discretion to make decisions about how their jobs get done and free time to pursue their own ideas on how things can be done better.

Daniel Pink, Drive: The Surprising Truth about What Motivates Us (New York: Riverhead Trade, 2011).

The **process theories** of motivation focus on how cognitive processes—individual thoughts and decision tendencies— influence work behavior. The focus is on understanding how and why certain factors influence people's decisions to work hard or not in certain situations. Three process theories discussed in this chapter are equity theory, expectancy theory, and goal-setting theory.

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Motivation and Human Needs

LEARNING ROADMAP

HIERARCHY OF NEEDS THEORY • ERG THEORY
ACQUIRED NEEDS THEORY • TWO FACTOR THEORY
EMOTIONAL DRIVES OR NEEDS MODEL

The premise of the content or needs theories is that motivation results from our attempts to satisfy important needs. They suggest that once an individual's needs are understood, it should be possible to create situations—work, family, sport, or otherwise—that respond positively to them.

Hierarchy of Needs Theory

Perhaps the most well-known of the content approaches to motivation is Abraham Maslow's **hierarchy of needs theory**. As depicted in Figure 5.1, this theory identifies five levels of individual needs. They range from self-actualization and esteem needs at the top, to social, safety, and physiological needs at the bottom.³ The concept of a needs “hierarchy” assumes that some needs are more important than others and must be satisfied before the other needs can serve as motivators. For example, physiological needs must be satisfied before safety needs are activated; safety needs must be satisfied before social needs are activated; and so on.

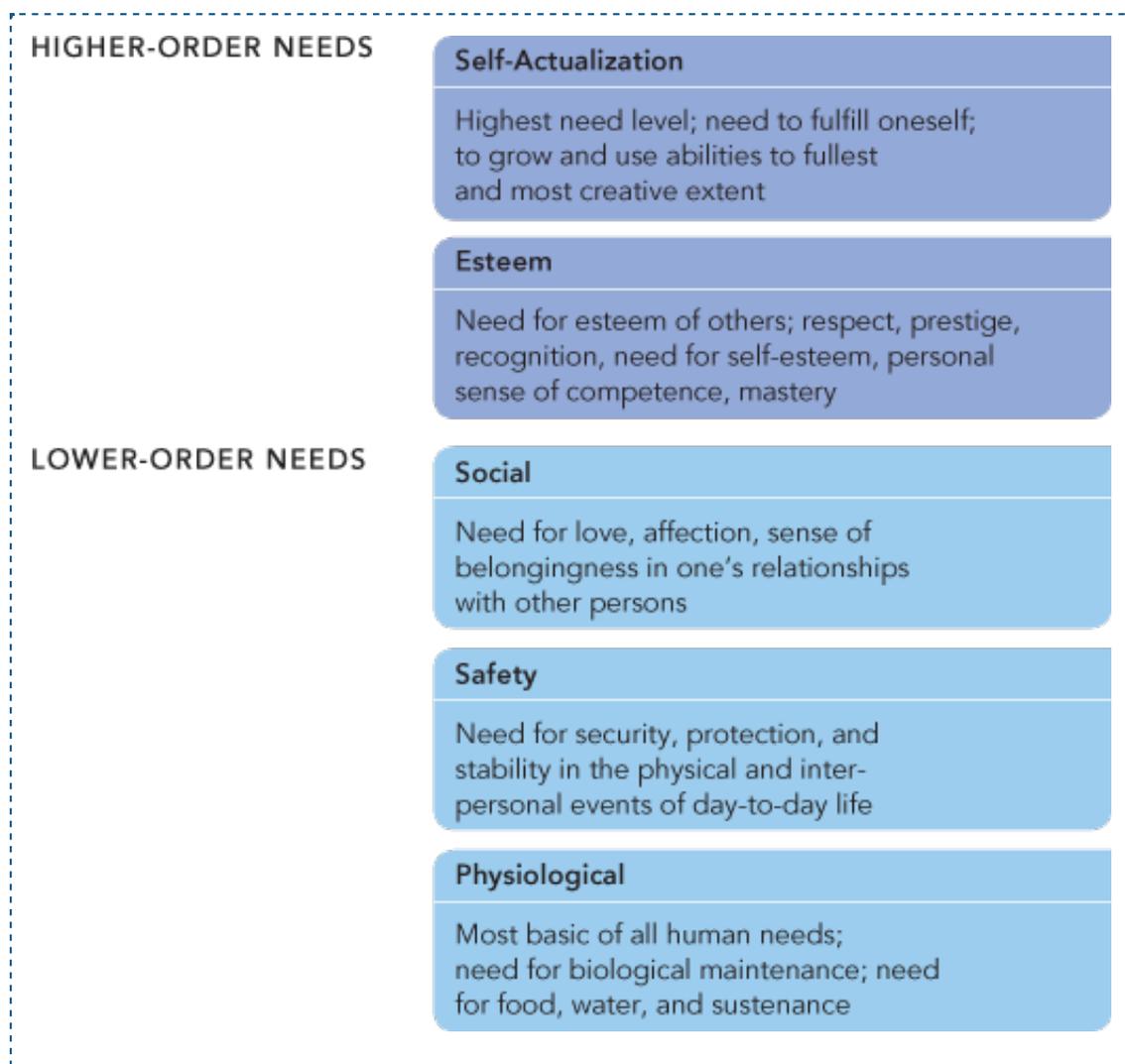


FIGURE 5.1 Pathways to satisfaction of Maslow's higher-order and lower-order needs.

Maslow's model is easy to understand and has been quite popular for many years. However, it needs to be considered with caution. Research fails to support the existence of a precise five-step hierarchy of needs. If anything, the needs are more likely to operate in a flexible rather than in a strict, step-by-step sequence. The **higher-order needs** of self-actualization and esteem, for example, may grow more important than the **lower-order needs** — physiological, safety, and social, as one moves to higher levels of work responsibility.⁴

Studies report that needs may vary according to a person's career stage, the size of the organization, and even geographic location.⁵ There is also no consistent evidence that the satisfaction of a need at one level decreases its importance and increases the importance of the next-higher need.⁶ In addition, the presumed hierarchy of needs may vary across cultures. Findings suggest, for instance, that social needs tend to take on higher importance in more collectivist societies, such as Mexico, than in individualistic ones, such as the United States.⁷

■ ERG Theory

Clayton Alderfer's **ERG theory** is also based on needs, but it differs from Maslow's theory in important ways.⁸ To begin, the theory collapses Maslow's five needs categories into three. **Existence needs** are desires for physiological and material well-being. **Relatedness needs** are desires for satisfying interpersonal relationships. **Growth needs** are desires for continued personal growth and development. ERG theory also abandons Maslow's strict hierarchy and contends that more than one of these needs need may be active at the same time.

One of the most unique aspects of ERG theory is its allowance for *frustration-regression* in how needs become activated. Alderfer believes an already satisfied lower-level need can become reactivated when a higher-level need cannot be satisfied. When someone is continually frustrated in attempts to satisfy growth needs, for example, relatedness and existence needs can again surface as key motivators.⁹ This frustration-regression dynamic might explain why complaints about wages, benefits, and working conditions are often heard in many work settings. In addition to possible absolute deficiencies in these matters, concerns for them may also get exaggerated attention due to a lack of opportunities for workers to satisfy their relatedness and growth needs.

■ Acquired Needs Theory

In the late 1940s psychologist David I. McClelland and his co-workers began experimenting with the Thematic Apperception Test (TAT) as a way of measuring human needs.¹⁰ The TAT is a projective technique that asks people to view pictures and write stories about what they see, and its use proved historic in motivation theory. Consider, for example, these differences when McClelland showed three executives a photograph of a man looking at family photos arranged on his work desk. One executive wrote of an engineer who was daydreaming about a family outing scheduled for the next day. Another described a designer who had picked up an idea for a new gadget from remarks made by his family. The third described an engineer who was intently working on a bridge stress problem that he seemed sure to solve because of his confident look.¹¹

McClelland identified themes in the TAT stories that he believed correspond to needs that are acquired over time as a result of our life experiences. **Need for achievement (nAch)** was evident in the executive who spoke of an engineer working on a bridge stress problem. It is the desire to do something better or more efficiently, to solve problems, or to master complex tasks. **Need for affiliation (nAff)** is the desire to establish and maintain friendly and warm relations with others. This need may be more represented in the executives who mentioned family in regards to the TAT photos. Yet another need identified in McClelland's work is **need for power (nPower)**. You can think of it as the desire to control others, to influence their behavior, or to be responsible for others.

BRINGING OB TO LIFE

“Chronic exhaustion”—meaning employees who don't get enough rest—is estimated to cost U.S. companies \$60 billion a year in lost productivity.”

Hitting the Snooze Button to Improve Performance

Not all of us can quietly close the office door and take a midday power nap. Yet, facts are suggesting that napping should become an accepted norm. Perhaps it's time for organizations to have dedicated “Quiet, I'm napping!” zones just as they have wellness and day care centers. After all, feeling sleepy at work can't be good for business.

Did you know that medical researchers find that about one-third of American workers don't get enough sleep to perform at high levels on the job? And “chronic exhaustion”—meaning employees who don't get enough rest—comes at high cost to not just the individual but also the organization. It is estimated to cost U.S. companies \$60 billion a year in lost productivity. That's a big number, and many employers are taking notice.

What we are talking about here are people who come to work tired and end up cranky, listless, and underperforming. They don't intend to be that way, but lack of sleep caused by pressures of balancing work demands with complicated personal lives leaves them that way. The problem is especially common among shift workers whose work and personal schedules are out of balance.

Is it time to put the snooze button on the desk and disassociate the office nap from perceived loafing? If we made the quick nap acceptable in the organizational culture, everyone might gain. That's part of the message in a book, *Sleep for Success*, by Psychologist James Maas. He writes, “If we treated machinery like we treat the human body, there would be breakdowns all the time.”

Organizational behavior researchers are always interested in studying things like motivation, effort, ability, and performance. It may be time for them to put “well rested” on their lists of research variables.



Information from Lauren Weber, “Go Ahead, Hit the Snooze Button,” *Wall Street Journal* (January 23, 2013), pp. B1, B8.

Because each of the acquired needs can be linked with a set of work preferences, McClelland encouraged managers to identify in themselves and in others the strengths of nAch, nAff, and nPower. Armed with this understanding, it is possible to create work environments that will satisfy people with different need profiles. Someone with a high need for achievement, for example, will prefer individual responsibilities, challenging goals, and performance feedback. Someone with a high need for affiliation is drawn to interpersonal relationships and opportunities for communication. Someone with

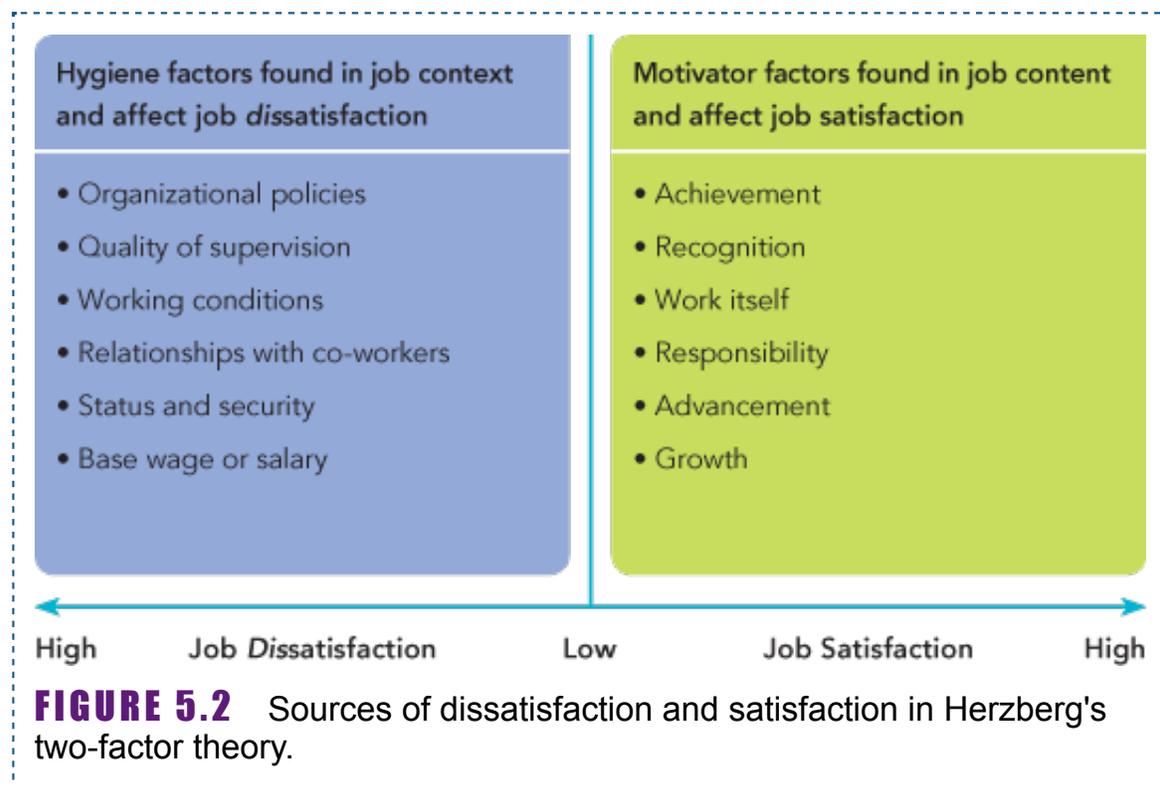
a high need for power seeks influence over others and likes attention and recognition.

Since these three needs are acquired, McClelland also believed it may be possible to teach people to develop need profiles required for success in various types of jobs. His research indicated, for example, that a moderate-to-high need for power that is stronger than a need for affiliation is linked with success as a senior executive. The high nPower creates the willingness to exercise influence and control over others; the lower nAff allows the executive to make difficult decisions without undue worry over being disliked.¹²

Two-Factor Theory

As scholarship on work motivation continued to develop, Frederick Herzberg took yet another approach that proved insightful to some and controversial to many. He began by asking workers to report the times they felt exceptionally good about their jobs and the times they felt exceptionally bad about them.¹³ Results showed that people talked about very different things when they reported feeling good or bad about their jobs. Herzberg explained these results using what he called the **two-factor theory**, also known as the motivator-hygiene theory. This theory identifies motivator factors as primary causes of job satisfaction and hygiene factors as primary causes of job dissatisfaction.

Hygiene factors, shown to the left in Figure 5.2, are sources of job dissatisfaction, and they are found in the *job context* or work setting. They relate more to the setting in which people work than to the nature of the work itself. The two-factor theory suggests that job dissatisfaction occurs when hygiene is poor. It also suggests that improving the hygiene factors will not increase job satisfaction; it will only decrease job dissatisfaction. Among the hygiene factors, perhaps the most surprising is salary. Herzberg found that paying a low base salary or wage makes people dissatisfied, but paying more does not necessarily satisfy or motivate them.



Motivator factors, shown on the right in Figure 5.2, are sources of job satisfaction. These factors are found in *job content*—what people actually do in their work. They include such things as a sense of achievement, opportunities for personal growth, recognition, and responsibility. According to two-factor theory, the presence or absence of satisfiers or motivators in people's jobs is the key to satisfaction, motivation, and performance. When motivator factors are minimal, low job satisfaction decreases motivation and performance. When motivator factors are substantial, high job satisfaction

raises motivation and performance.

A controversial point in the two-factor theory is Herzberg's belief that job satisfaction and job dissatisfaction are separate dimensions. Taking action to improve a hygiene factor, such as by giving pay raises or creating better physical working conditions, will not make people satisfied and more motivated in their work; it will only prevent them from being less dissatisfied on these matters. To improve job satisfaction, Herzberg believes job content must be enriched by adding more motivator factors. His technique of **job enrichment** is given special attention in the next chapter as a job design alternative. For now, the implication is well summarized in this statement by Herzberg: "If you want people to do a good job, give them a good job to do."¹⁴

OB scholars have long debated the merits of the two-factor theory.¹⁵ It is criticized as being method bound, or replicable only when Herzberg's original methods are used. This is a serious criticism, since the scientific approach valued in OB requires that theories be verifiable under different research methods.¹⁶ Yet, the distinction between hygiene and motivator factors has been a useful contribution to OB. As will be apparent in the discussions of job designs and alternative work schedules in the next chapter, the notion of two factors—job content and job context—has a practical validity that adds useful discipline to management thinking.

Emotional Drives or Needs Model

An example of continuing attention to the link between human needs and motivation is found in the emotional drives or needs model described by Harvard scholars Paul Lawrence and Nitin Nohria. Their model of motivation identifies four emotional drives or needs that people seek to satisfy at work and in daily living. The *drive to acquire* is the need to obtain physical and psychological gratification. The *drive to bond* is the need to connect with other people individually and in groups. The *drive to comprehend* is the need to understand things and gain a sense of mastery. And, the *drive to defend* is the need to be protected from threats and obtain justice.¹⁷

The emotional drives or needs model ties each of the four drives with specific things that organizations and managers can do to satisfy them as ways to gain a positive impact on motivation. As shown in the figure, the drive to acquire is satisfied through reward systems that clearly distinguish between high and low performers and that distribute rewards contingently based on performance. The drive to bond is satisfied through a collaborative organizational and team culture that encourages friendship and positive social identity. The drive to comprehend is satisfied by job designs that provide a sense of meaning and importance in work being done, as well as the opportunity to learn and improve in one's competencies. The drive to defend is satisfied by information transparency and fair practices that build confidence and trust, especially in relation to rewards and resource allocations.



When the four emotional drives or needs were examined in empirical studies of 685 workers in major businesses, researchers found that their satisfaction explained 60 percent of the motivation workers experienced in their organizations.¹⁸ Perhaps more important, they also reached this conclusion: “Employees in our study attributed as much importance to their boss's meeting their four drives as to the organization's policies.”¹⁹

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Motivation and Equity

LEARNING ROADMAP

EQUITY AND SOCIAL COMPARISONS
 EQUITY THEORY PREDICTIONS AND FINDINGS
 EQUITY AND ORGANIZATIONAL JUSTICE

What happens when you get a grade back on a written assignment or test? How do you interpret your results, and what happens to your future motivation in the course? Such questions fall in the motivational domain of process theory, specifically **equity theory**. As known in OB through the writing of J. Stacy Adams, equity theory argues that any perceived inequity becomes a motivating state. In other words, people are motivated to behave in ways that restore or maintain a sense of balance—perceived equity—in their minds. These tendencies are found in work situations and the full variety of our personal affairs.²⁰

Equity and Social Comparisons

The act of social comparison is a basic foundation of equity theory. Think back to the earlier questions. When you receive a grade, do you quickly try to find out what others received as well? When you do, does the interpretation of your grade depend on how well your grade compared to those of others? Equity theory predicts that your behavior upon receiving a grade—working less or harder in the course—will be based on whether or not you perceive it as fair and equitable. Furthermore, that determination is made only after you compare your results with those received by others.

FINDING THE LEADER IN YOU

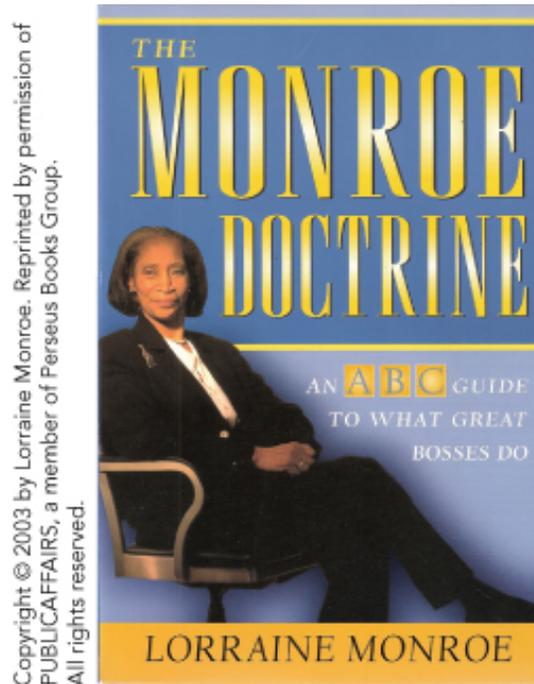
Lorraine Monroe Turns Leadership Vision into Inspiration

Dr. Lorraine Monroe began her career in the New York City schools as a teacher. She went on to serve as assistant principal, principal, and vice-chancellor for curriculum and instruction. Her career really took off when she founded the Frederick Douglass Academy, a public school in Harlem, where she had grown up. The academy's namesake was an escaped slave who later became a prominent abolitionist and civil rights leader. Under her leadership as principal, the school became highly respected for educational excellence.

Through her experiences, Monroe formed a set of beliefs centered on a leader being vision driven and follower centered. She believes leaders must always start at the “heart of the matter” and that “the job of a good leader is to articulate a vision that others are inspired to follow.” She believes in making sure all workers know they are valued, that their advice is welcome, and that workers and managers should always try to help and support one another. “I have never undertaken any project,” she says, “without first imagining on paper what it would ultimately look like. ... All the doers who would be responsible for carrying out my imaginings have to be informed and let in on the dream.”

About her commitment to public leadership, Monroe states, “We can reform society only if every place we live—every school, workplace, church, and family—becomes a site of reform.” She now serves as a leadership consultant and runs the Lorraine Monroe Leadership Institute. Its goal is to train educational leaders in visionary leadership and help them go forth to build high-performing schools that transform children's lives.

Lorraine Monroe's many leadership ideas are summarized in what is called the “Monroe Doctrine.” It begins with this advice: “The job of the leader is to uplift her people—not just as members of and contributors to the organization, but as individuals of infinite worth in their own right.”



What's the Lesson Here?

How good are you at visioning? Are you able to generate visions that are persuasive and engaging to others? Do others feel inspired by your visions? If not, could it be that you need to think about how to make the vision more about them and less about you?

Information and quotes from Lorraine Monroe, "Leadership Is About Making Vision Happen—What I Call 'Vision Acts,'" *Fast Company* (March 2001), p. 98; See also Lorraine Monroe, *Nothing's Impossible: Leadership Lessons from Inside and Outside The Classroom* (New York: Public Affairs Books, 1999) and *The Monroe Doctrine: An ABC Guide to What Great Bosses Do* (New York: Public Affairs Books, 2003).

Adams argues that the motivational consequences of rewards are a function of how one evaluates rewards received relative to efforts made, and as compared to the rewards received by others relative to their efforts made. A key issue in this comparison is "fairness." **Perceived inequity** occurs when someone believes that he or she has been under-rewarded or over-rewarded for work contributions in comparison to other people. As you might expect, any feelings of unfairness or perceived inequity are uncomfortable. They create a state of mind that equity theory says we are motivated to eliminate.

Equity Theory Predictions and Findings

The basic equity comparison can be summarized as follows:

$$\frac{\text{Individual Outcomes}}{\text{Individual Efforts}} = ? \frac{\text{Others' Outcomes}}{\text{Others' Efforts}}$$

The preceding equity comparison shows that **felt negative inequity** exists when an individual believes that he or she has received relatively less than others in proportion to work efforts. Think of this as *under-reward inequity*. By contrast, **felt positive inequity** exists when an individual believes that he or she has received relatively more than others. Think of this as *over-reward inequity*. When either felt negative or positive inequity exists, the theory suggests that people will be motivated to act in ways that remove the cognitive discomfort and restore a sense of perceived equity to the situation. In

both cases the motivational value of rewards is determined by social comparison. It isn't the reward giver's intentions that count in terms of motivational impact. What counts is how the recipient perceives the reward in his or her social context. In figurative terms:



Research on equity theory indicates that people who feel they are overpaid (perceived positive inequity) are likely to try to increase the quantity or quality of their work, whereas those who feel they are underpaid (perceived negative inequity) are likely to try to decrease the quantity or quality of their work.²¹ The research is most conclusive with respect to felt negative inequity. It appears that people are less comfortable when they are under-rewarded than when they are over-rewarded.²² And it is important to understand how people may react, particularly in felt negative inequity situations. In these cases, an individual might engage one of the following alternatives as a way of restoring a sense of perceived equity to the situation.

▼ Ways to reduce perceived negative inequity

- Reduce work inputs (e.g., don't do anything extra in future: “If that is all I'm going to get, this is all I'm going to do.”).
- Change the outcomes received (e.g., ask for a bigger raise: “Given my contributions and what I see others getting for their work, I believe I deserve more.”).
- Leave the situation (e.g., quit: “That's it, I'm out of here.”).
- Change the comparison points (e.g., compare to a different co-worker: “Perhaps I'm looking at this the wrong way. My situation is more similar to Henry's than Alicia's.”).
- Psychologically distort things (e.g., rationalize the inequity as temporary: “The boss has been under a lot of pressure and misses a lot of things going on in the office. Things should improve in the future.”).
- Try to change the efforts of the comparison person (e.g., get a teammate to accept more work: “Look, Miranda, I know you've had a hard time at home, but it's only fair that you do a bit more to justify the raises that were just given out.”).

Equity and Organizational Justice

Fairness is a basic element of equity theory. It raises an issue in organizational behavior known as **organizational justice**—how fair and equitable people view the practices and outcomes of their workplace.²³

Procedural justice is the degree to which the process, such as rules and procedures specified by policies, is properly followed in all cases to which it applies. In a sexual harassment case, for example, this may mean that required formal hearings are held for every case submitted for administrative review. **Distributive justice** is the degree to which all people are treated the same, regardless of race, ethnicity, gender, age, or any other demographic characteristic. In a sexual harassment case, this might mean that a complaint filed by a man against a woman would receive the same consideration as one filed by a woman against a man.

OB IN POPULAR CULTURE

Equity Theory and Ally Bank

Equity theory tells us that employees are motivated to eliminate perceived inequity: the feeling that stems from unfair distributions of rewards. These perceptions develop when employees receive outcomes as a result of their work effort and then make comparisons with similar others, known as referents.

Ally Bank has a number of child-themed commercials to depict unfair practices in the banking industry. The commercials resonate with viewers because we all have a fundamental understanding of what is fair and what is not. In one particular commercial, two little girls are sitting at a table with a grown man. The man turns to the first little girl and asks, "Would you like a pony?" The girl smiles and nods affirmatively, and he hands her a toy pony. Then the man turns and repeats his question to the second little girl. Only this time, when the girl indicates she would like a pony, the man makes a clicking noise and a real pony emerges from behind a playhouse.

The second little girl is overjoyed. But the first—initially quite happy with the toy pony, becomes upset. Her reaction illustrates equity theory and shows that we evaluate rewards within the context in which they are given. Rewards may look good on the surface. However, if someone else gets the same reward while doing less or gets a bigger reward for similar work, it makes your reward pale by comparison. That's not a good feeling.



Get to Know Yourself Better

Take Assessment 17, Annual Pay Raises, in the *OB Skills Workbook*. It asks you to determine pay raises for a group of employees based on information provided about performance, co-worker assessments, and other nonperformance factors. Consider your inclinations when making these decisions. Take a close look at employee Z. Davis. He is a good worker, but others do not see it that way. How would you handle this situation? If Davis is truly deserving and does not get a pay raise, what will he do? If you give Davis a raise, on the other hand, how will co-workers react?

Ally Bank. "Would you like a pony?" Advertisement. May 2009. Television.

Interactional justice is the degree to which the people affected by a decision are treated with dignity and respect. Interactional justice in a sexual harassment case, for example, may mean that both the accused and accusing parties believe they have received a complete explanation of any decision made. **Commutative justice** is the degree to which exchanges and transactions among parties is considered free and fair. In the sexual harassment example again, commutative justice is present when everyone involved perceives themselves as having full access to all the available facts and information.²⁴

CHECKING ETHICS IN OB

Information Goldmine Creates a Dilemma

A worker opens the top of the office photocopier and finds a document someone has left behind. It's a list of performance evaluations, pay, and bonuses for eighty co-workers. She reads the document.

Lo and behold, someone considered a “nonstarter” is getting paid more than others regarded as “super workers.” New hires are being brought in at substantially higher pay and bonuses than are paid to existing staff. To make matters worse, she's in the middle of the list and not near the top, where she would have expected to be. She makes a lot less money than some others are getting.

Looking at the data, she begins to wonder why she is spending extra hours working on her laptop in the evenings and on weekends at home, trying to do a really great job for the firm. She wonders to herself, “Should I pass this information around anonymously so that everyone knows what's going on? Or should I quit and find another employer who fully values me for my talents and hard work?”

In the end she decides to quit because she couldn't stand the inequity. She also decided not to distribute the information to others in the office because “It would make them depressed, like it made me depressed.”



DAJ/Getty Images

What Would You Do?

Would you hit “Print,” make about eighty copies, and put them in everyone's mailboxes—or even just leave them stacked in a couple of convenient locations? That would get the information out and right into the gossip chains pretty quickly. Is this ethical? On the other hand, if you don't send out the information, is it ethical to let other workers go about their days with inaccurate assumptions about pay practices at the firm? By quitting and not sharing the information, did this worker commit an ethics miscue?

Information on this situation from Jared Sandberg, “Why You May Regret Looking at Papers Left on the Office Copier,” *Wall Street Journal* (June 20, 2006), p. B1.

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Motivation and Expectancy

LEARNING ROADMAP

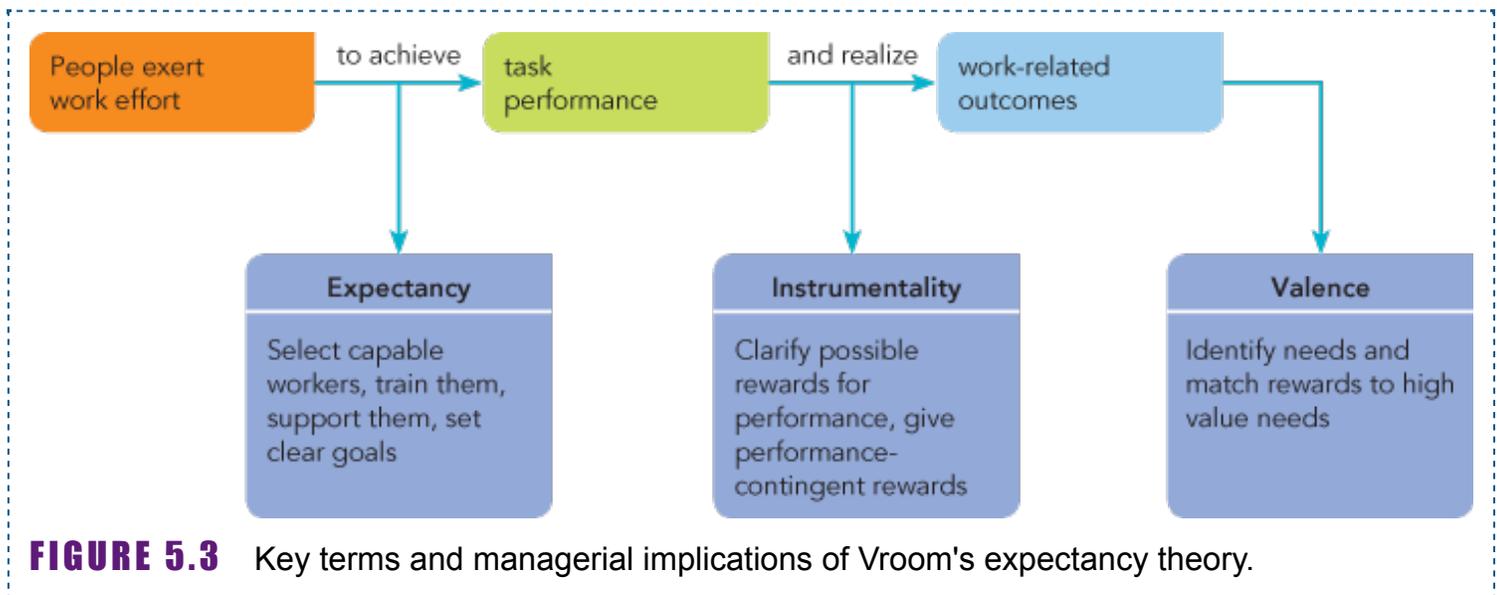
EXPECTANCY TERMS AND CONCEPTS • EXPECTANCY THEORY PREDICTIONS
EXPECTANCY THEORY IMPLICATIONS AND RESEARCH

Another of the process theories of motivation achieving substantial scholarly impact is Victor Vroom's **expectancy theory**.²⁵ Its legacy value rests with the suggestion that motivation is a result of a rational calculation—people will do what they can do when they want to do it. In other words, work motivation is determined by individual beliefs regarding effort-performance relationships and work outcomes.

Expectancy Terms and Concepts

In expectancy theory, and as summarized in Figure 5.3, a person is motivated to the degree that he or she believes that (1) effort will yield acceptable performance (expectancy), (2) performance will be rewarded (instrumentality), and (3) the value of the rewards is highly positive (valence). Each of the key terms is defined as follows:

- **Expectancy** is the probability assigned by an individual that work effort will be followed by a given level of achieved task performance. Expectancy would equal zero if the person felt it were impossible to achieve the given performance level; it would equal one if a person were 100 percent certain that the performance could be achieved.
- **Instrumentality** is the probability assigned by the individual that a given level of achieved task performance will lead to various work outcomes. Instrumentality also varies from 0 to 1. Strictly speaking, Vroom's treatment of instrumentality would allow it to vary from -1 to $+1$. We use the probability definition here and the 0 to $+1$ range for pedagogical purposes; it is consistent with the instrumentality notion.
- **Valence** is the value attached by the individual to various work outcomes. Valences form a scale from -1 (very undesirable outcome) to $+1$ (very desirable outcome).



Expectancy Theory Predictions

Vroom posits that motivation, expectancy, instrumentality, and valence are related to one another in multiplicative fashion.

$$\text{Motivation} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}$$

You can remember this expectancy equation simply as $M \times E \times I \times V$, and the multiplier effect described by the “x” signs is significant. It means that the motivational appeal of a work path is sharply reduced whenever any one or more of these factors—E, I, or V—diminishes and at the extreme approaches the value of zero. In order for a reward to have a high and positive motivational impact as a work outcome, the expectancy, instrumentality, and valence associated with it must each be high and positive.

Suppose, for example, that a team leader is wondering whether or not the prospect of earning a merit pay raise will be motivational to employee team member. Expectancy theory predicts that motivation to work hard to earn the merit pay will be low if *expectancy* is low: a person feels that he or she cannot achieve the necessary performance level. Motivation will also be low if *instrumentality* is low—the person is not confident that a high level of task performance will result in a high merit pay raise. Motivation will also be low if *valence* is low: the person places little value on a merit pay increase. Finally, motivation will be low if any combination of these exists.

Expectancy Theory Implications and Research

The logic of expectancy theory suggests that work situations should be adjusted or created to maximize expectancies, instrumentalities, and valences for people in their jobs.²⁶ To influence expectancies, the advice is to select people with proper abilities, train them well, support them with needed resources, and identify clear performance goals. To influence instrumentality, the advice is to clarify performance-reward relationships, and then live up to them when rewards are actually given for performance accomplishments. To influence valences, the advice is to identify the needs that are important to each individual and adjust available rewards to match these needs.

Hiring Hourly Workers? Paying More than the Minimum May Be the Best Choice

More and more Americans are finding themselves in hourly paid jobs, and they don't pay real great on the average. The U.S. minimum wage is \$7.25 per hour for non-tipped employees, and in some locations—like Ohio where the wage is \$7.70 per hour—set higher minimums. That minimum wage may come with or without benefits such as health insurance and retirement programs.

For some employers, wages are viewed strictly as costs of production, and when it comes to costs, the tendency is to try and minimize or control them. The less you can pay for labor, the argument goes, the better off the “bottom line” is.

Whole Foods takes a different approach. It views business as a balancing act between owner-shareholders, customers, and employees as key stakeholders. Although the interest of each stakeholder is important, balance among all three is the goal. At Whole Foods this concept is described as “conscious capitalism,” and one of its characteristics is paying employees more than either the law or market conditions require. At the moment this is about \$15.00 per hour, often with benefits. Although this may not sound great, it's twice the minimum wage and about \$3.00 plus benefits more than what an average worker earns at Walmart, for example.



David McNew/Getty Images

Do the Analysis

Whole Foods co-CEO Walter Robb believes that paying more than the minimum and competitors builds a stronger and more committed workforce. The payoff from paying more than you have to is having workers who are loyal, stable, and good for customers. How about it? Should more employers be adopting this philosophy on hourly pay? Or, is this just an interesting case that probably wouldn't apply in most other settings?

Information from Henry Blodgett, "Whole Foods CEO: Here's Why We Pay Our Employees More than We Have To," *The Daily Ticker*, Yahoo! Finance: yahoo.com/finance (September 14, 2012).

A great deal of research on expectancy theory has been conducted.²⁷ Even though the theory has received substantial support, specific details, such as the operation of the multiplier effect, remain subject to some question. In addition, expectancy theory has proven interesting in terms of helping to explain some apparently counterintuitive findings in cross-cultural management situations. For example, one study found that a pay raise motivated a group of Mexican workers to work fewer hours. Why? They wanted a certain amount of money in order to enjoy things other than work, rather than just getting more money in general. And, a Japanese sales representative's promotion to sales manager at a U.S. company adversely affected his performance. Why? His superiors did not realize that the promotion embarrassed him and distanced him from his colleagues.²⁸

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Motivation and Goals

LEARNING ROADMAP

MOTIVATIONAL PROPERTIES OF GOALS • GOAL-SETTING GUIDELINES GOAL SETTING AND THE MANAGEMENT PROCESS

Every so often a defensive football player makes a dramatic error—scooping up an opponent's fumble and then with obvious effort and delight running the ball into the wrong end zone. These players don't lack motivation, but they fail by not focusing their energies toward the right goal. Less dramatic but similar goal and goal-setting problems occur regularly in work settings. People work hard, but end up disappointing themselves and their bosses because they pursued the wrong goals. When goals are clear and properly set, motivation is both activated and directed toward the right accomplishments.

How to Make Goal Setting Work for You

- *Set challenging goals:* When viewed as realistic and attainable, more difficult goals lead to higher performance than do easy goals.
- *Set specific goals:* They lead to higher performance than do more generally stated ones, such as “Do your best.”
- *Provide feedback on goal accomplishment:* Make sure that people know how well they are doing with respect to goal accomplishment.
- *Build goal acceptance and commitment:* People work harder for goals they accept and believe in; they resist goals forced on them.
- *Clarify goal priorities:* Make sure that expectations are clear as to which goals should be accomplished first, and why.
- *Reward goal accomplishment:* Don't let positive accomplishments pass unnoticed; reward people for doing what they set out to do.

Motivational Properties of Goals

Goal setting is the process of developing, negotiating, and formalizing the targets or objectives that a person is responsible for accomplishing.²⁹ Over a number of years Edwin Locke, Gary Latham, and their associates have developed a comprehensive framework linking goals to performance. They say: “Purposeful activity is the essence of living action. If the purpose is not clear, not challenging, very little gets accomplished.”³⁰

Goal-Setting Guidelines

Although the theory has its critics, the basic precepts of goal setting remain a respected source of advice for managing human behavior in the work setting.³¹ The major implications of research are highlighted in the “How to Make Goal Setting Work for You” sidebar and can be summarized as follows:³²

Key findings of goal-setting research

- *Difficult goals are more likely to lead to higher performance than are less difficult ones.* If the goals are seen as too difficult or impossible, however, the relationship with performance no longer holds. For example, you will likely perform better as a financial services agent if you have a goal of selling six annuities a week than if you have a goal of selling three. But if your goal is selling fifteen annuities a week, you may consider that impossible to achieve, and your performance may well be lower than what it would be with a more realistic goal.
- *Specific goals are more likely to lead to higher performance than are no goals or vague or very general ones.* All too often people work with very general goals such as the encouragement of “Do your best.” Research indicates that more specific goals, such as selling six annuities a week, are much more motivational than a simple “Do your best” goal.

- *Task feedback, or knowledge of results, is likely to motivate people toward higher performance by encouraging the setting of higher performance goals.* Feedback lets people know where they stand and whether they are on course or off course in their efforts. Think, for example, about how eager you may be to find out how well you did on an examination. Think also about the instructor who often waits until the end of the course to find out how well students really liked his or her approach.
- *Goals are most likely to lead to higher performance when people have the abilities and the feelings of self-efficacy required to accomplish them.* The individual must be able to accomplish the goals and feel confident in those abilities. To take the financial services example again, you may be able to do what is required to sell six annuities a week and feel confident that you can. If your goal is to sell fifteen, however, you may believe that your abilities are insufficient to the task, and thus you may lack the confidence to work hard enough to accomplish it.
- *Goals are most likely to motivate people toward higher performance when they are accepted and there is commitment to them.* Participating in the goal-setting process helps build acceptance and commitment; it creates a sense of “ownership” of the goals that is motivating. However, even when goals are assigned, they can still be motivating if they come from a respected authority figure and are perceived as attainable. Assigned goals are most likely to lose motivational value when they are curtly or inadequately explained, and/or seem impossible to achieve.

Goal Setting and the Management Process

The entire management process is affected by goal setting. Goals set during planning provide the focus for organizing and leading, and they also facilitate controlling by identifying desired outcomes that can then be measured. One approach that tries to integrate goals across these management functions is known as **management by objectives (MBO)**. MBO is essentially a process of joint goal setting between managers or team leaders and those who report to them.³³ An example is the team leader who works with team members to set performance goals consistent with higher-level organizational objectives.

Research Insight

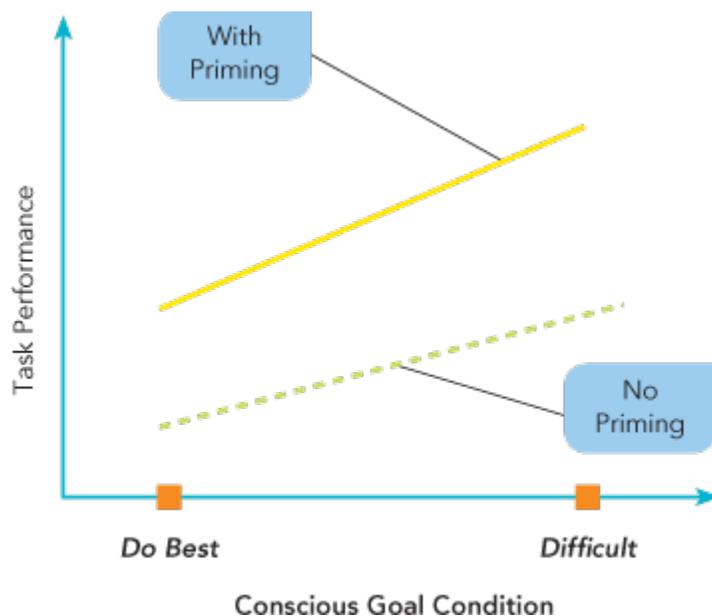
Conscious and Subconscious Goals Have Motivational Impact

Writing in the *Journal of Applied Psychology*, Alexander D. Stajkovic, Edwin A. Locke, and Eden S. Blair note that the literature on goal-setting theory and motivation is well established, but they point out that it deals only with conscious motivation. In two empirical studies they attempt to link this set of findings with a body of literature in social psychology concerned with subconscious goal motivation.

One of the key findings of research on goal-setting theory is that difficult goals lead to higher performance than do general “Do your best” or easy goals when performance feedback, goal commitment, and task knowledge are present. A research stream of social psychology literature deals with the subconscious activation of goals by primers found in environments in which goals are regularly pursued. Using this background, the researchers stated that their purpose “was to link subconscious and conscious goals by empirically examining the interaction between the two.”

A pilot study and a main study were conducted with samples of undergraduate and graduate students at a university in the Midwest. Study participants were divided into two groups, with one group receiving a “priming” treatment where subjects did setup work involving identification or use of achievement-related words before they completed a performance task. In the second, or “no prime” group, only achievement-neutral words were identified or used in the setup work prior to the performance task.

In both studies the results confirmed predictions from goal-setting theory by showing that “difficult” conscious goals increased performance relative to “easy” and “Do your best” goal-setting conditions. In addition, the researchers found that subjects in primed subconscious conditions performed better than did those in unprimed subconscious conditions on both “difficult” and “Do your best” goals. In other words, primed subconscious goals had positive interactions with conscious goals for both “difficult” and “Do your best” goals.



The overall conclusions from these studies show that more research is needed on the links between conscious and subconscious goals with task performance, but the initial findings are favorable in suggesting that when both types of goals are used together, their motivational impact is increased.

Source: Alexander D. Stajkovic, Edwin A. Locke and Eden S. Blair "A First Examination of the Relationships between Primed Subconscious Goals, Assigned Conscious Goals, and Task Performance", *Journal of Applied Psychology* 91 (2006), pp. 1172-1180.

Figure 5.4 shows how the MBO process can take advantage of goal-setting principles. The joint team leader and team member discussions are designed to extend participation from the point of setting initial goals all the way to evaluating results in terms of goal attainment. As team members work to achieve their goals, the team leader's role is to actively coach them.

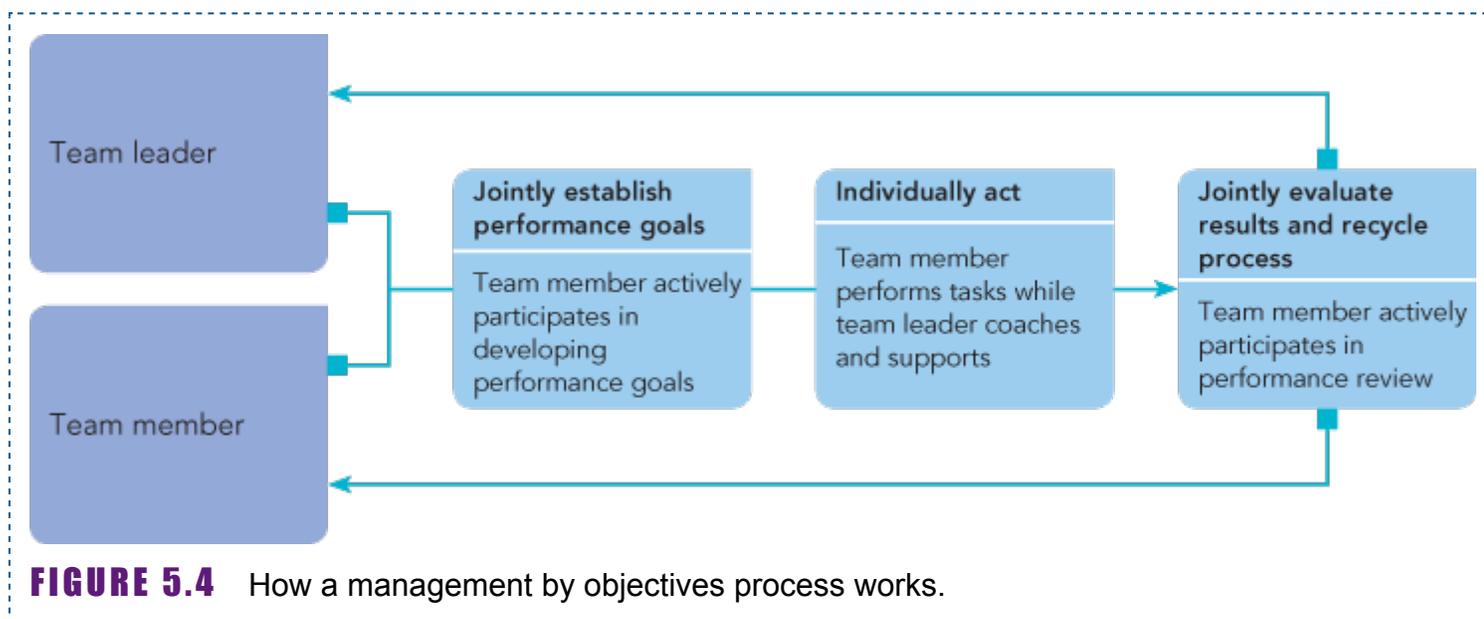


FIGURE 5.4 How a management by objectives process works.

Researchers identify a number of common difficulties with MBO in practice.³⁴ These include overemphasizing paperwork to document goals and accomplishments, and focusing on top-down goals, goals that are easily stated and achieved, and individual

instead of team goals. When these issues are resolved, however, an MBO-type approach can help bring the many benefits and insights of goal-setting theory to life.

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5 Study Guide

Key Questions and Answers

What is motivation?

- Motivation is an internal force that accounts for the level, direction, and persistence of effort expended at work.
- Content theories—including the work of Maslow, Alderfer, McClelland, and Herzberg—focus on identifying human needs that influence behavior in the workplace.
- Process theories, such as equity theory and expectancy theory, examine the thought processes that affect decisions people make about their work efforts.

What can we learn from the needs theories of motivation?

- Maslow's hierarchy of needs theory views human needs as activated in a five-step hierarchy ranging from physiological (lowest) to safety, to social, to esteem, to self-actualization (highest).
- Alderfer's ERG theory collapses the five needs into three: existence, relatedness, and growth; it maintains that more than one need can be activated at a time.
- McClelland's acquired needs theory focuses on the needs for achievement, affiliation, and power, and it views needs as developed over time through experience and training.
- Herzberg's two-factor theory links job satisfaction to motivator factors, such as responsibility and challenge, associated with job content; it links job dissatisfaction to hygiene factors, such as pay and working conditions, associated with job context.

Why is the equity theory of motivation important?

- Equity theory points out that social comparison takes place when people receive rewards.
- Any felt inequity in social comparison will motivate people to behave in ways that restore a sense of perceived equity to the situation.
- When felt inequity is negative—that is, when the individual feels unfairly treated—he or she may decide to work less hard in the future or to quit a job for other, more attractive opportunities.
- Organizational justice is an issue of how fair and equitable people view workplace practices; it is described in respect to distributive, procedural, interactive, and commutative justice.

What are the insights of the expectancy theory of motivation?

- Vroom's expectancy theory describes motivation as a function of an individual's beliefs concerning effort-performance relationships (expectancy), work-outcome relationships (instrumentality), and the desirability of various work outcomes (valence).
- Expectancy theory states that $\text{Motivation} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence}$, and argues that managers should make each factor strong and positive in order to ensure high levels of motivation.

How does goal setting influence motivation?

- Goal setting is the process of developing, negotiating, and formalizing performance targets or objectives.
- Goals are the most motivational when they are challenging and specific, allow for feedback on results, and create commitment and acceptance.
- Management by objectives, a process of joint goal setting between a team leader and team member, is a way of applying goal-setting theory in day-to-day management practice.

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SELF-TEST 5

Multiple Choice

1. Motivation is defined as the level and persistence of _____.

- (a) effort
- (b) performance
- (c) need satisfaction
- (d) instrumentalities

ANSWER 

(a) effort

2. A content theory of motivation is most likely to focus on _____.

- (a) organizational justice
- (b) expectancy
- (c) equity
- (d) individual needs

ANSWER 

(d) individual needs

3. A process theory of motivation is most likely to focus attention on _____.

- (a) frustration-regression
- (b) expectancies regarding work outcomes
- (c) lower-order needs
- (d) hygiene factors

ANSWER 

(b) expectancies regarding work outcomes

4. When a team member shows strong ego needs in Maslow's hierarchy, the team leader should find ways to link this person's work on the team task with _____.

- (a) compensation tied to group performance
- (b) individual praise and recognition for work well done
- (c) lots of social interaction with other team members
- (d) challenging individual performance goals

ANSWER 

(b) individual praise and recognition for work well done

5. According to McClelland, a person high in need achievement will be motivated by _____.

- (a) status of being an executive
- (b) control and influence over other people

- (c) teamwork and collective responsibility
- (d) challenging but achievable goals

ANSWER 

(d) challenging but achievable goals

6. In Alderfer's ERG theory, the _____ needs best correspond with Maslow's higher-order needs of esteem and self-actualization.
- (a) existence
 - (b) relatedness
 - (c) recognition
 - (d) growth

ANSWER 

(d) growth

7. Improvements in job satisfaction are most likely under Herzberg's two-factor theory when _____ are improved.
- (a) working conditions
 - (b) base salaries
 - (c) co-worker relationships
 - (d) opportunities for responsibility

ANSWER 

(d) opportunities for responsibility

8. In Herzberg's two-factor theory _____ factors are found in job context.
- (a) motivator
 - (b) satisfier
 - (c) hygiene
 - (d) enrichment

ANSWER 

(c) hygiene

9. Both Barry and Marissa are highly motivated college students. Knowing this I can expect them to be _____ in my class.
- (a) hard working
 - (b) high performing
 - (c) highly satisfied
 - (d) highly dissatisfied

ANSWER 

(a) hard working

10. In equity theory, the _____ is a key issue.
- (a) social comparison of rewards

- (b) equality of rewards
- (c) equality of efforts
- (d) absolute value of rewards

ANSWER 

(a) social comparison of rewards

11. A manager's failure to enforce a late-to-work policy the same way for all employees is a violation of _____ justice.
- (a) interactional
 - (b) moral
 - (c) distributive
 - (d) procedural

ANSWER 

(c) distributive

12. When someone has a high and positive expectancy in expectancy theory of motivation, this means that the person _____.
- (a) believes he or she can meet performance expectations
 - (b) highly values the rewards being offered
 - (c) sees a relationship between high performance and the available rewards
 - (d) believes that rewards are equitable

ANSWER 

(a) believes he or she can meet performance expectations

13. In expectancy theory, _____ is the perceived value of a reward.
- (a) expectancy
 - (b) instrumentality
 - (c) motivation
 - (d) valence

ANSWER 

(d) valence

14. Which goals tend to be more motivating?
- (a) challenging goals
 - (b) easy goals
 - (c) general goals
 - (d) no goals

ANSWER 

(a) challenging goals

15. The MBO process emphasizes _____ as a way of building worker commitment to goal accomplishment.

- (a) authority
- (b) joint goal setting
- (c) infrequent feedback
- (d) rewards

ANSWER 

(b) joint goal setting

Short Response

- 16. What is the frustration-regression component in Alderfer's ERG theory?
- 17. What does job enrichment mean in Herzberg's two-factor theory?
- 18. What is the difference between distributive and procedural justice?
- 19. What is the multiplier effect in expectancy theory?

Applications Essay

- 20. While attending a business luncheon, you overhear the following conversation at a nearby table. Person A: "I'll tell you this: If you satisfy your workers' needs, they'll be productive." Person B: "I'm not so sure. If I satisfy their needs, maybe they'll be real good about coming to work but not very good about working really hard while they are there." Which person do you agree with and why?

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