CHAPTER 15
MOTIVATION

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Learning Outcomes

15.1 Describe the nature of motivation.
15.2 Describe and differentiate various types of motivation theories under content perspectives.
15.3 Explain the process perspectives of motivation.
15.4 Describe the reinforcement perspectives and how the tools can be used in motivation.
15.5 Identify and explain the various motivational strategies.
Nature of Motivation

• The internal and external forces of motivation are influenced by two criteria: the perceived locus of causality and the perceived locus of consequence.

• Locus of causality is defined as the origin of the motivation while locus of consequence is defined as the one who receives the consequences of the individual’s action.

• Exhibit 15.1 shows four typologies of the interrelation between forces and locus.

• Motivation is the combination of internal and external factors that stimulate the person’s energy and desire to be persistent, continual, and have committed behavior to attaining a goal.
Exhibit 15.1: Typology of Interrelation between Forces of Motivation and Perceived Locus

Importance of motivation in the workplace

• Motivated employees will perform efficiently in an organization.
• Motivation contributes to a stable workforce.
• Motivated employees are willing to accept change.
• Motivated employees see their interests as parallel to the organization’s interests.
I. Needs Hierarchy Approach

- Abraham Maslow, a humanist psychologist, postulated that a person’s actions are motivated by a desire to meet certain needs.
- He proposed that there are five levels of needs, which are displayed using a pyramid diagram.
- The pyramid form shows that needs progress from the lowest, and gradually increase to the highest level of needs.
- Physiological, safety, social, and esteem needs are categorized as D- needs or deficiency needs, which means that these needs arise due to deprivation. A person will satisfy these lower-level needs first to avoid unpleasant feelings or consequences.
- The highest-level of the pyramid, which is self-actualization, is categorized as a B- need, or a being needs. This need will arise when someone has the desire to grow as a person, unlike deficiency needs that stem from lack of something.
Maslow’s Needs Theory

Exhibit 15.2: Maslow’s Needs theory

II. Alderfer’s ERG Theory

• Clayton Alderfer’s ERG theory drew upon Maslow’s hierarchy of needs by identifying three components of needs.
• He reduced Maslow’s levels from five to three needs which are existence, relatedness and growth.
• Existence need is the combination of Maslow’s basic two needs, which are physiological and safety needs. Relatedness is similar to social need, while growth is the combination of esteem and self-actualization (from Maslow).
Alderfer’s ERG Theory

Exhibit 15.3: Alderfer’s ERG Theory

Alderfer’s ERG Theory (cont’d)

• Alderfer does not agree that a person will start to fulfil his lowest needs as claimed by Maslow. He claims that needs are not arranged in any order.

• Alderfer claims that a person could have more than one need at one time.

• Another concept of Alderfer’s which is different from Maslow is frustration-regression principles.
III. Herzberg’s Two Factor Theory

- Another needs theory under content perspectives is two-factor theory. In the early 1960s, Frederick Herzberg proposed two-factor theory by dividing into two areas of needs.

- The two areas of needs are:
  - Hygiene need. This need is related to the physical and psychological context in which the work is performed.
  - Motivators need. This need is related to the challenging nature of the work.

- When a person is unable to fulfill hygiene needs, he or she will be dissatisfied. Although a person is able to fulfill his or her hygiene needs, it does not result in a high level of motivation or satisfaction. This person will have no dissatisfaction but that does not mean that he or she is satisfied. In order to satisfy and motivate a person, a motivator needs must be fulfilled.
Herzberg’s Two Factor Theory

Exhibit 15.4: Herzberg’s Two-Factor Theory

Satisfiers – Motivator Needs

- Achievement
- Recognition
- Responsibility
- Growth
- Work Itself

Dissatisfiers – Hygiene

- Company Policy
- Salary Working Conditions
- Supervision
- Security

IV. McClelland’s Acquired Needs Theory

• Another content theory is Acquired Needs theory developed by psychologist David McClelland.
• A person’s needs are not innate.
• A person will learn to acquire the specific needs not during childhood development but during the adult stage.
• If the motives are learned or developed as a result of one’s life experiences during the adult stage, this will influence the person to acquire needs.
McClelland’s Acquired Needs Theory (cont’d)

This theory consists of three types of needs:

- **Need for achievement.** This need emphasizes a person who has a strong desire for success. This person is willing to perform challenging tasks, and mastering them, in order to meet his own personal standards of excellence or their goals.

- **Need for affiliation.** This need is within a person who has a strong desire for building harmonious and good relationships with others. This person is concerned with being friendly and being popular among others.

- **Need for power.** This need is within a person who has a strong desire to control or influence others. This person wants to acquire responsibility which allows him to show authority and be in charge of others.
I. Expectancy Theory

- Expectancy theory, developed by Victor H. Vroom, is categorized as process perspectives of motivation.
- Process perspectives describe motivation as a combination of different variables that influence the amount of effort that workers will expend to achieve something when they believe that their high levels of effort will lead to high performance and subsequently their high performance will lead to the attainment of their desired outcomes.
- Expectancy theory identifies three major relationships or components.
Expectancy Theory

Exhibit 15.5: Expectancy Theory

- **Effort**
  - Expectancy: Will my effort lead to high performance?

- **Performance**
  - Instrumentality: Will my performance lead to outcomes?

- **Outcome**
  - Valence: How attractive the outcomes to me?

II. Equity Theory

• Equity theory, developed by psychologist J. Stacy Adams, is a theory of motivation which holds that a person’s perception of fairness is based on the treatment he receives compared to how others are treated.

• Ratio in equity theory is calculated by dividing outcomes or output by inputs. Outcomes received from the workplace include salary, benefits, reward or recognition. Meanwhile, inputs contributing to the workplace include effort, time, knowledge, experience, qualifications and skills.

• J. Stacy Adams explained that motivation is determined by a relative rather than an absolute level of ratio.
## Equity Theory

**Exhibit 15.6: Equity Theory**

<table>
<thead>
<tr>
<th>One’s Own Ratio</th>
<th>Referent’s Ratio</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome / Input</strong></td>
<td><strong>Outcome / Input</strong></td>
<td></td>
</tr>
<tr>
<td>Salary RM3,000 Bachelor Degree</td>
<td>Salary RM3,000 Bachelor Degree</td>
<td>Equity</td>
</tr>
<tr>
<td><strong>Outcome / Input</strong></td>
<td><strong>Outcome / Input</strong></td>
<td></td>
</tr>
<tr>
<td>Salary RM3,000 Bachelor Degree</td>
<td>Salary RM2,000 Bachelor Degree</td>
<td>Overreward Inequity</td>
</tr>
<tr>
<td><strong>Outcome / Input</strong></td>
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<td>Salary RM4,000 Bachelor Degree</td>
<td>Underreward Inequity</td>
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</tbody>
</table>

III. Goal-Setting Theory

- Edwin Locke and Gary Latham developed goal-setting theory, suggesting that level of performance is influenced by a human’s conscious goals and the conscious process of achieving desired goals.
- In order to achieve their desired goals, they will increase effort or change their strategies when they find that their current strategies or ways are unable to lead them to their goals.
- Conditions to set a successful goal:
  i. Goal Acceptance/Commitment
  ii. Goal Specificity
  iii. Goal Difficulty
  iv. Feedback
Reinforcement Perspectives

• Reinforcement theory, which was pioneered by Edward L. Thorndike and B.F. Skinner, holds that the relationship between behavior and its consequences is derived from the external environment.

• The basic concepts of the theory rest on Edward L. Thorndike’s law of effect. Individuals will repeat the same behavior if they receive pleasant outcomes or desired outcomes; in contrast, individuals will not likely to repeat the behavior if they receive unpleasant or undesired outcomes.

• There are four strategies of reinforcement in operant conditioning.
1. Positive Reinforcement
   • This strategy calls for providing positive outcomes that employees desire when they exhibit behaviors which are favorable to the organization.

2. Negative Reinforcement
   • This strategy holds that employees will learn to do the right thing or behavior in the right way in order to avoid negative or unfavorable outcomes.

3. Punishment
   • This strategy calls for applying unfavorable outcomes for unfavorable behaviors.

4. Extinction
   • This strategy calls for the absence of reinforcements.
Reinforcement Theory

Exhibit 15.8: Reinforcement Theory

BEHAVIOR

DESIRABLE

POSITIVE

NEGATIVE

UNDESIRABLE

EXTINCTION

PUNISHMENT

Motivation and Remuneration

I. Financial Motivation Strategies.
   - **Pay for performance.** Merit pay is also known as pay for performance, where salary will be increased based on one’s performance contribution.
   - **Pay for knowledge.** This concept, also known as skills-based pay, is where employees are rewarded based on the number of job-relevant skills they have acquired.
   - **Bonus Pay.** This plan calls for cash awards or lump-sum payments given to employees based on the accomplishment of specific performance objectives.
   - **Profit sharing.** This plan distributes a percentage of the company’s profit to some or all employees.
   - **Gain Sharing.** Instead of sharing the distribution of the company’s profit, this plan distributes savings or gains to groups of employees who contribute in such a way as to reduce costs and increase productivity in the company.
   - **Employee stock ownership plans.** This plan gives rights to certain employees to purchase stock at a future date at a discounted rate.
II. Nonfinancial motivation strategies:
- Providing respectable status
- Creating a healthy organizational climate
- Providing career advancement opportunities
- Creating a suitable job design
- Providing employee recognition programs
- Providing job security
- Providing empowerment to employees