Chapter 13
Motivation

What Is Motivation?

After reading this section, you should be able to:

1. explain the basics of motivation.
Chapter 13

Basics of Motivation

Extrinsic and Intrinsic Rewards

Motivating People

Effort and Performance

Need Satisfaction

1.1

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Effort and Performance

Effort

- Initiation
- Direction
- Persistence

Performance

Effort and Performance

Job Performance = Motivation x Ability x Situational Constraints

- Job performance
  - how well someone performs the job
- Motivation
  - effort put forth on the job
- Ability
  - capability to do the job
- Situational Constraints
  - external factors affecting performance

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Need Satisfaction

- Needs
  - physical or psychological requirements
  - must be met to ensure survival and well being

- Unmet needs motivate people

- Three approaches:
  - Maslow’s Hierarchy of Needs
  - Alderfer’s ERG Theory
  - McClelland’s Learned Needs Theory

Beyond the Book

A Job Well Done

According to David Novak, CEO of Yum Brands, everyone needs to be recognized for a job well done. Recognition must be genuine, must come from the heart, and, when it is deserved, it can’t be overdone. When he was president at KFC, Novak used to find workers who were doing a good job and give them a rubber chicken trophy and $100. Says Novak, “Using recognition is the best way to build a high-energy, fun culture and reinforce the behaviors that drive results.”


Adding Needs Satisfaction to the Model

As shown on the left side of this exhibit, a person’s unsatisfied need creates an uncomfortable internal state of tension that must be relieved. So, according to needs theories, people are motivated by certain needs. But once a need is met, it no longer motivates. When this occurs, people become satisfied, as shown on the right side of the exhibit.
Maslow’s Hierarchy of Needs

- Self-Actualization
- Esteem
- Belongingness
- Safety
- Physiological

Aldefer’s ERG Theory

- Growth
- Relatedness
- Existence

McClelland’s Learned Needs Theory

- Power
- Achievement
- Affiliation
### Needs Classification

<table>
<thead>
<tr>
<th>Higher-Order Needs</th>
<th>Maslow’s Hierarchy</th>
<th>Alderfer’s ERG</th>
<th>McClelland’s Learned Needs</th>
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<tr>
<td>Self-Actualization</td>
<td>Growth Relatedness</td>
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</table>

<table>
<thead>
<tr>
<th>Lower-Order Needs</th>
<th>Safety</th>
<th>Existence</th>
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<tr>
<td>Physiological</td>
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### Extrinsic and Intrinsic Rewards

**Extrinsic Rewards**
- tangible and visible to others
- contingent on performance

**Intrinsic Rewards**
- natural rewards
- associated with performing the task for its own sake

### Extrinsic Rewards

**Extrinsic Rewards** motivate people to:

- Join the organization
- Regularly attend their jobs
- Perform their jobs well
- Stay with the organization
Intrinsic Rewards

Intrinsic Rewards include:

• Sense of accomplishment
• Feeling of responsibility
• Chance to learn something new
• The fun that comes from performing an interesting, challenging, and engaging task

Motivation at Pfizer

Shari Adler took six months off of work through Pfizer’s paid volunteerism program working for the Tanzanian Ministry of Health. Meaningful volunteer opportunities help attract and retain workers who are motivated to use their job skills to help others in need.

The Most Important Rewards

Extrinsic

• Good benefits
• Health insurance
• Job security
• Vacation time

Intrinsic

• Interesting work
• Learning new skills
• Independent work situations
Motivating with the Basics

- Ask people what their needs are
- Satisfy lower-order needs first
- Expect people’s needs to change
- Satisfy higher order needs by looking for ways to allow employees to experience intrinsic rewards

How Perceptions and Expectations Affect Motivation

After reading these sections, you should be able to:

2. use equity theory to explain how employees’ perceptions of fairness affect motivation.
3. use expectancy theory to describe how workers’ expectations about rewards, effort, and the link between rewards and performance influence motivation.
Components of Equity Theory

- **Inputs**: employee contributions to the organization
- **Outcomes**: rewards employees receive from the organization
- **Referents**: comparison to others
- **Outcome/input (O/I) ratio**

\[
\frac{\text{Outcomes}_{\text{self}}}{\text{Inputs}_{\text{self}}} = \frac{\text{Outcomes}_{\text{referent}}}{\text{Inputs}_{\text{referent}}}
\]

Inequity

When a person’s O/I ratio differs from their referent’s O/I ratio

- **Underreward**: referent’s O/I ratio is greater than yours
  - experience anger or frustration
- **Overreward**: referent’s O/I ratio is less than yours
  - experience guilt
How People React to Perceived Inequity

- Reduce inputs
- Increase outcomes
- Rationalize inputs or outcomes
- Change the referent
- Leave

Adding Equity Theory to Model

Motivating with Equity Theory

- Look for and correct major inequities
- Reduce employees’ inputs
- Make sure decision-making processes are fair
  - distributive justice
  - procedural justice
Chapter 13

Expectancy Theory

Components of Expectancy Theory

Motivating with Expectancy Theory

Components of Expectancy Theory

Valence
Expectancy
Instrumentality

Losing the Perks

Beyond the Book

Many companies are scaling back, and employees are seeing many perks (free catered lunches, concierge services, health-care co-pays) starting to disappear. This can cause employees to become scared or discouraged, creating concerns over job security. These kinds of perks, however, are not ongoing motivators; they’re extras. Companies need to make sure that when cutbacks come, that they don’t isolate workers from each other or leave them uninformed. Workers need to understand that everyone is in this together and everyone is making sacrifices.

Motivating with Expectancy Theory

- Systematically gather information to find out what employees want from their jobs
- Clearly link rewards to individual performance
- Empower employees to make decisions which enhance expectancy perceptions

How Rewards and Goals Affect Motivation

After reading these sections, you should be able to:

4. explain how reinforcement theory works and how it can be used to motivate.
5. describe the components of goal-setting theory and how managers can use them to motivate workers.
6. discuss how the entire motivation model can be used to motivate workers.
Reinforcement Theory

A theory that states that behavior is a function of its consequences, that behaviors followed by positive consequences will occur more frequently, and that behaviors followed by negative consequences—or not followed by positive consequences—will occur less frequently.

Reinforcement Contingencies

- **Positive reinforcement**
  - desirable consequence strengthens behavior
- **Negative reinforcement**
  - withholding unpleasant consequence strengthens behavior
- **Punishment**
  - unpleasant consequence weakens behavior
- **Extinction**
  - no consequence weakens behavior
4.1 Adding Reinforcement Theory to Model

4.2 Schedules for Delivering Reinforcement

Continuous Reinforcement Schedules

Continuous Reinforcement Schedule
A schedule that requires a consequence to be administered following every instance of a behavior.
Interruption Reinforcement Schedules

<table>
<thead>
<tr>
<th>Fixed</th>
<th>Variable</th>
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</thead>
<tbody>
<tr>
<td><strong>Interval (Time)</strong></td>
<td>Consequences follow behavior after a fixed time has elapsed</td>
</tr>
<tr>
<td><strong>Ratio (Behavior)</strong></td>
<td>Consequences follow a specific number of behaviors</td>
</tr>
</tbody>
</table>

Motivating with Reinforcement Theory

- Identify, measure, analyze, intervene, and evaluate
- Don’t reinforce the wrong behavior
- Correctly administer punishment at the appropriate time
- Choose the simplest and most effective schedule of reinforcement

Goal-Setting Theory

Goal-Setting Theory relates to the basic model: desire to meet a goal prompts effort.
Goal-Setting Theory

- **Goal Specificity**
  - the clarity of goals
- **Goal Difficulty**
  - how challenging goals are
- **Goal Acceptance**
  - how well goals are agreed to or understood
- **Performance Feedback**
  - information on goal progress

Adding Goal-Setting Theory to Model

Motivating with Goal-Setting Theory

- Assign specific, challenging goals
- Make sure workers truly accept organizational goals
- Provide frequent and specific performance-related feedback
Motivating with the Integrated Model

Motivating with the Basics

Motivating with Expectancy Theory

Motivating with Equity Theory

Motivating with Goal-Setting Theory

Motivating with Reinforcement Theory

Motivating with Equity Theory

Equity Theory

Motivating with Expectancy Theory

Motivating with Expectancy Theory

Motivating with Reinforcement Theory

Motivating with Goal-Setting Theory

Motivating with Goal-Setting Theory

Motivating with Reinforcement Theory

Motivating with the Integrated Model

<table>
<thead>
<tr>
<th>MOTIVATING WITH</th>
<th>MANAGERS SHOULD</th>
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<tbody>
<tr>
<td>THE BASICS</td>
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<tr>
<td></td>
<td>Fortify moral and ethical climate.</td>
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<td>Establish clear and consistent work standards.</td>
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<td>Clearly communicate performance expectations.</td>
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<td>Ensure that performance expectations are fair.</td>
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<td>EXPECTANCY THEORY</td>
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<td></td>
<td>Systematically gather information to find out what employees want from their jobs.</td>
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<td>Link specific, measurable, achievable performance to pay that is fair and understandable to employees.</td>
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<td>Empower employees to make decisions if management really wants them to believe that their hard work and efforts will lead to good performance.</td>
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<tr>
<td>REINFORCEMENT THEORY</td>
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<td>Identify, measure, analyze, intervene, and evaluate critical performance-related behaviors.</td>
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<td></td>
<td>Don't reinforce the wrong behaviors.</td>
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<td>Continuously communicate positive reinforcement for performance.</td>
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<td>Establish and enforce schedules of reinforcement.</td>
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<td>GOAL-SETTING THEORY</td>
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<tr>
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<td>Assign specific, challenging goals.</td>
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<td>Minimize steps from goal to goal.</td>
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<td>Provide frequent, specific, performance-related feedback.</td>
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