

Lecture 5: Motivation Theories



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FOR STUDENTS OF 1 MASTER, HRM
COURSE: WAGES AND INCENTIVES
MANAGEMENT 2**

Learning Objectives



- To know about motivation.
- To know motivation theories.
- To know how a manager can apply motivate his employees

Nature of Motivation



- Motivation is an internal force. It cannot be measured in quantitative terms. It can only be observed through actions and performance.
- Motivation is an ongoing process, observing human needs, behavior and action is continuously followed by managers.
- Motivation is required to all level of management.
- Motivation can be either positive or negative.
- Motivation is a complicated task because understanding human need is difficult.

Importance of motivation



- Motivation Increase work efficiency satisfied workers work to satisfy the organizational need.
- Managers find prime need of the employees physiological or psychological and try to fulfill those needs through motivation.
- Motivation helps managers ascertain the need of employees.
- Motivation reduces the rate of labor absenteeism and turnover.
- Motivation develops leaders.

Behavioral or human relations management



- Behavioral or human relations management emerged in the 1920s and dealt with the human aspects of organizations. It has been referred to as the neoclassical school because it was initially a reaction to the shortcomings of the classical approaches to management.
- The human relations movement began with the Hawthorne Studies which were conducted by Elton Mayo between 1924 to 1933. These studies showed that people responded to the way managers engaged with them.

Behavioral or human relations management



- Around the same time, Max Weber developed Bureaucratic Management Theory (1922) and early understandings of how hierarchies worked.
- Beginning in the early 1950s, the **human resources school** represented a substantial progression from human relations. The behavioral approach did not always increase productivity. Thus, motivation and leadership techniques became a topic of great interest. One of the first people to develop a true motivational theory was Abraham Maslow.

Theories of Motivation



Need Theories

- 1) Maslow's need hierarchy theory - Maslow
- 2) Two factor theory - Herzberg
- 3) ERG Theory - Clayton Alderfer
- 4) McClelland's Theory of Needs

Cognitive Theories

- 5) Expectancy theory - Victor H. Vroom
- 6) Goal Setting theory - Edwin Locke
- 7) Equity theory - J. Stacy Adams

Behavioral Theories

- 8) Theory X and Theory Y – Mc Gregor
- 9) Theory Z – Ouchi

Theories of Motivation



Need Theories

- Need theories identify and satisfy needs of a person that Motivate him to perform organizational activities.
- Need theory believe that individuals have various needs and work to fulfill those needs

Cognitive Theories

According to cognitive theories, it is not the need that makes a person act but his perception about a particular situation that influences his behavior.

People's actions are affected by what they expect to achieve out of those actions

Behavioral Theories

- The nature of individuals and how they behave in different situation forms the basis for motivation in the behavioral theory.

Theories of Motivation



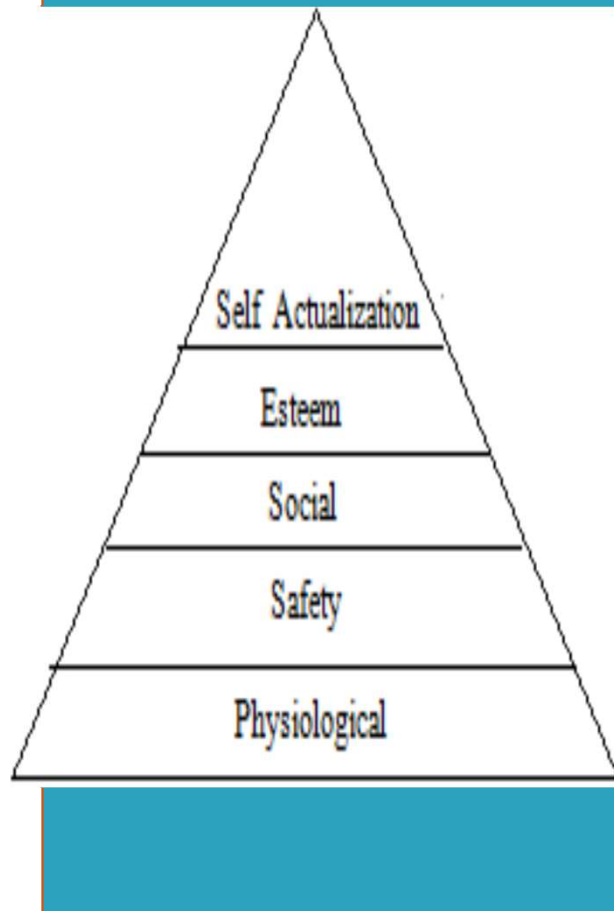
Content Theories

- **Maslow's need hierarchy theory - Maslow**
- **Two factor theory - Herzberg**
- **ERG Theory - Clayton Alderfer**
- **McClelland's Theory of Needs**
- **Theory X and Theory Y - Mc Gregor**
- **Theory Z - Ouchi**


Process Theories

- **Expectancy Theory**
- **Equity Theory**
- **Locke's Goal-setting theory**

Maslow's Need Hierarchy Theory




- The Need Hierarchy theory is developed by Abraham Maslow. In his 1943 paper "*A Theory of Human Motivation*", Maslow states the five levels of the hierarchy of human needs as Physiological, Security, Social, Esteem, and Self-actualizing.



Maslow's Need Hierarchy Theory

In Maslow's need hierarchy theory, human needs are arranged in a lowest to the highest order. The second need does not dominate unless the first reasonably satisfied and the third need does not dominate until the first two needs have been reasonably satisfied. This process goes on till the last need.

- **Physiological need:** a person's need for food, drink, shelter and other physical requirements.
- **Safety need:** The second level of need in Maslow's hierarchy is emerged once Physiological needs are met. Safety needs involve the need for a secure environment, free from threats of physical and psychological harm.
- **Social needs:** All individuals want to be recognized and accepted by others. Social needs involve affection, sense of belonging, acceptance and friendship.
- **Esteem needs:** These needs refer to self-esteem and self-respect. These include such needs that indicate self-confidence, achievement, competence, knowledge and independence.
- **Self-Actualization need:** The final step under the need theory is the need of self-actualization. This refers to self-fulfillment. These needs inspire a person to develop to his maximum potential.



Herzberg's Two Factor Theory

Fredrick Herzberg (1965) theorized that satisfaction and dissatisfaction were affected by different factors and thus could not be measured on the same scale. This theory is known as the two-factor theory; Herzberg's motivation-hygiene theory; and/or the dual-factor theory.

- Hygiene factors are those that pertained to the job and were comprised of supervision, interpersonal relationships, work conditions, salary, and company policy. Hygiene factors cannot produce motivation only satisfaction or dissatisfaction.
- The motivational factors are such items as recognition, a sense of achievement, growth or promotion opportunities, responsibility, and meaningfulness of the work itself.

Herzberg's Two Factor Theory




Motivators



De-motivators





Herzberg's Two Factor Theory

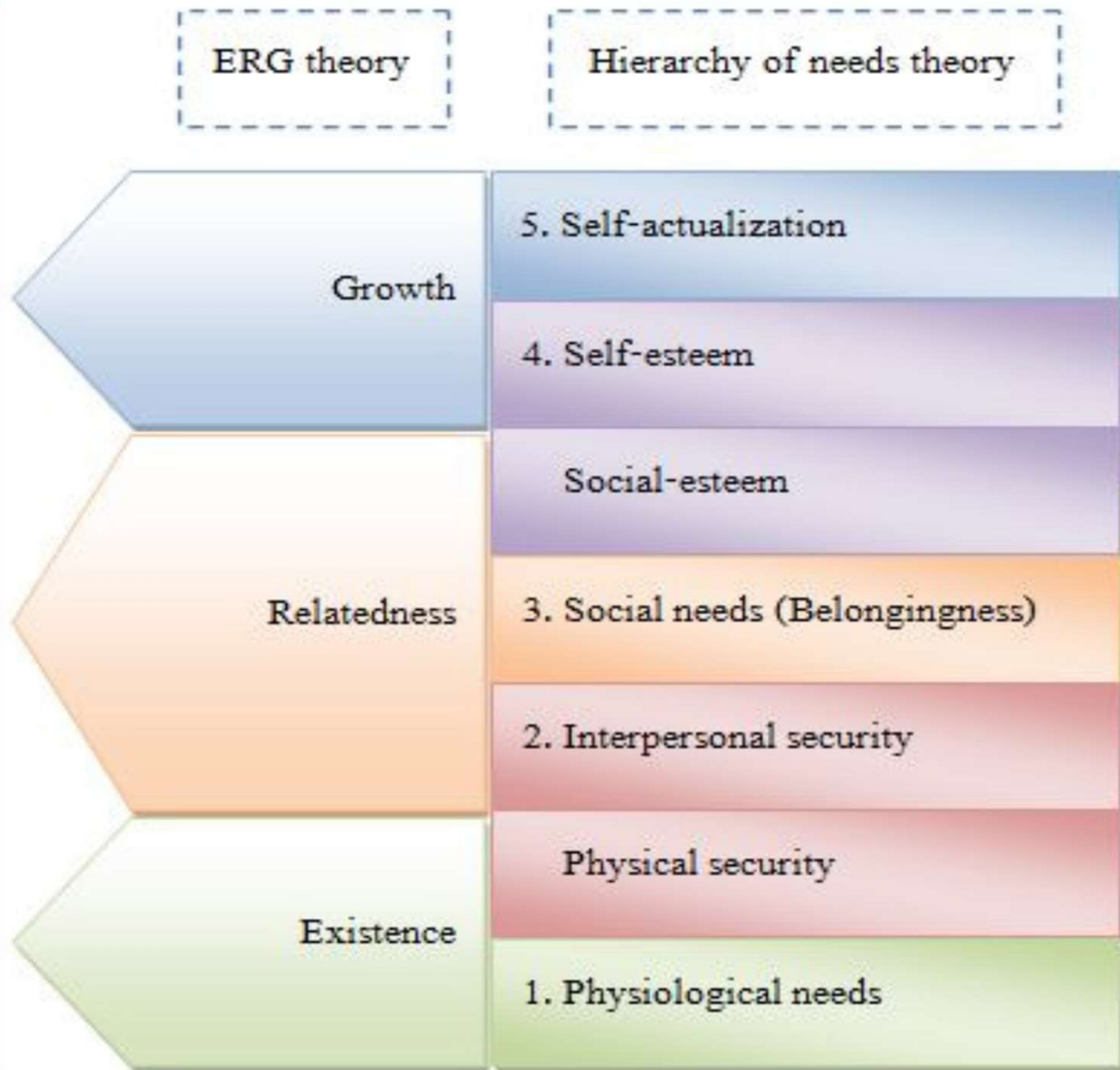
Hygiene factors need to be removed (cleaned up) before motivation factors can take effect. This theory was developed in the same timeframe as McGregor's 'Theory X - Theory Y'.

While Maslow's theory is based on general observation of the needs of the employees, the two factor theory is based on actual research findings.

- Herzberg conducted interviews with 200 accountants and engineers of companies in the Pittsburgh area. He asked them two questions-
- What are the factors that make you feel satisfied with your work and motivate you to perform better? and
- What are the factors that make you feel dissatisfied with your work and do not motivate you to perform better?
- The results from this inquiry from the basis of Herzberg's motivation-hygiene theory.

Aldefer's Existence, Relatedness, and Growth (ERG) Needs, Theory of Motivation

Clayton Aldefer developed his ERG theory as Existence, Relatedness, and Growth (2011) to bring Maslow's needs hierarchy into alignment with empirical research. He re-categorised Maslow's hierarchy of needs into three simpler and broader classes of needs



Aldefer's (ERG) Needs, Theory of Motivation

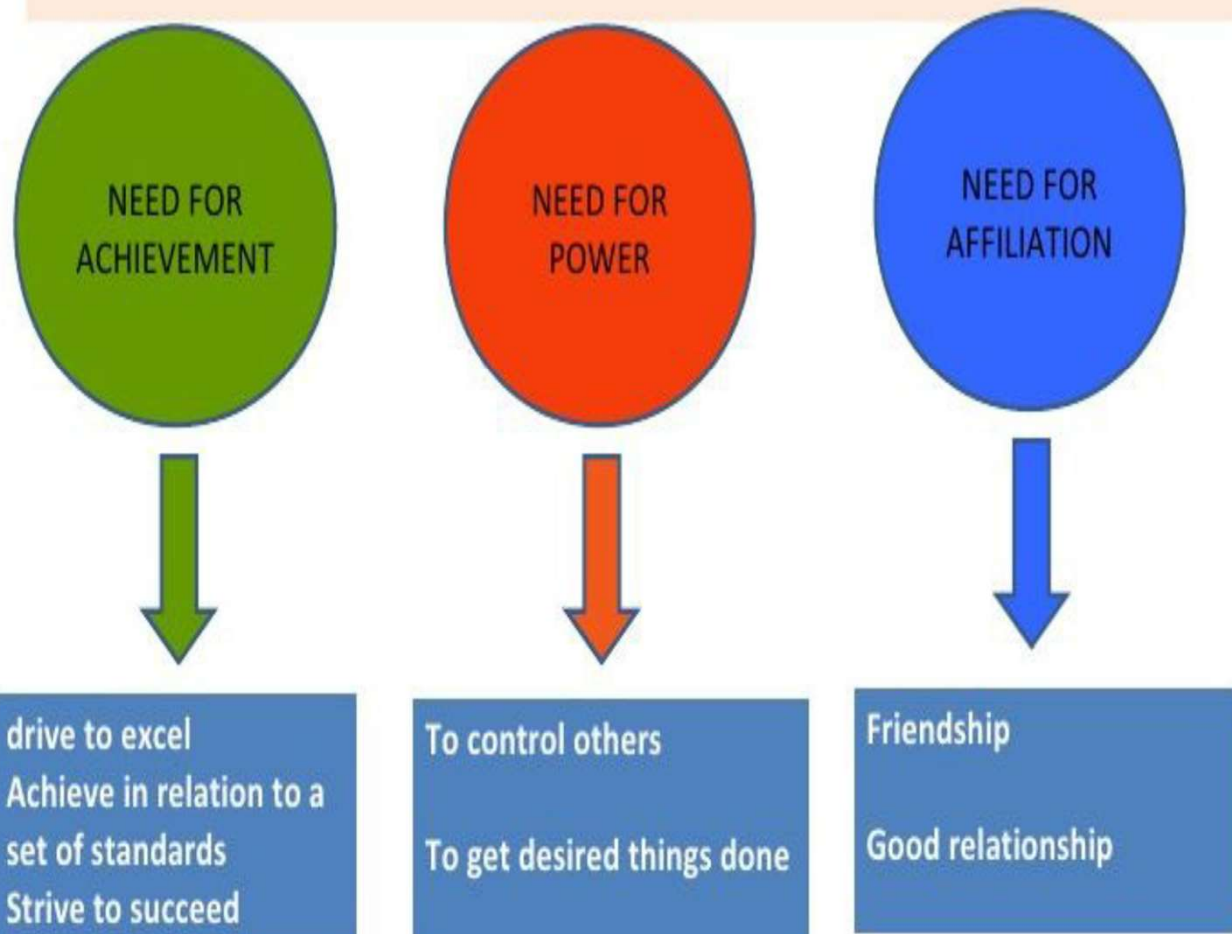


- Existence needs- These include need for basic material necessities. In short, it includes an individual's physiological and physical safety needs.
- • Relatedness needs- These include the aspiration individuals have for maintaining significant interpersonal relationships (be it with family, peers or 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.
- ERG Theory states that at a given point of time, more than one need may be operational and recognizes the option for both advancement and frustration/regression.

McClelland's Theory of Needs

McClelland's theory of needs (1995) is a motivational model that attempts to explain how the needs for achievement, power, and affiliation affect the actions of people from a managerial context

MCCLELLAND'S THEORY OF NEEDS



McClelland's Theory of Needs



- • Achievement discusses how people with different levels of achievement needs seek tasks with a corresponding level of risk. The higher the achievement need the higher the risk.
- • Affiliation need is similar to achievement and differs only in the fact it is the need to be associated with or accepted by a specific group.
- • The power portion of the needs theory actually has two sub-sets, personal power and institutional power. Personal power describes the individual who wants to direct others and institutional power describes the individual who wants to organize the efforts of others for the betterment of the institution.

Vroom's Expectancy Theory

Victor Vroom developed his Expectancy theory (1964) through his study of the motivations behind decision making. It proposes that an individual will decide to behave or act in a certain way because they are motivated to select a specific behavior over other behaviors due to what they expect the result of that selected behavior will be.



This theory emphasizes the needs for organizations to align rewards directly to the desired performance and to ensure that the rewards provided are both deserved and wanted by the recipients.

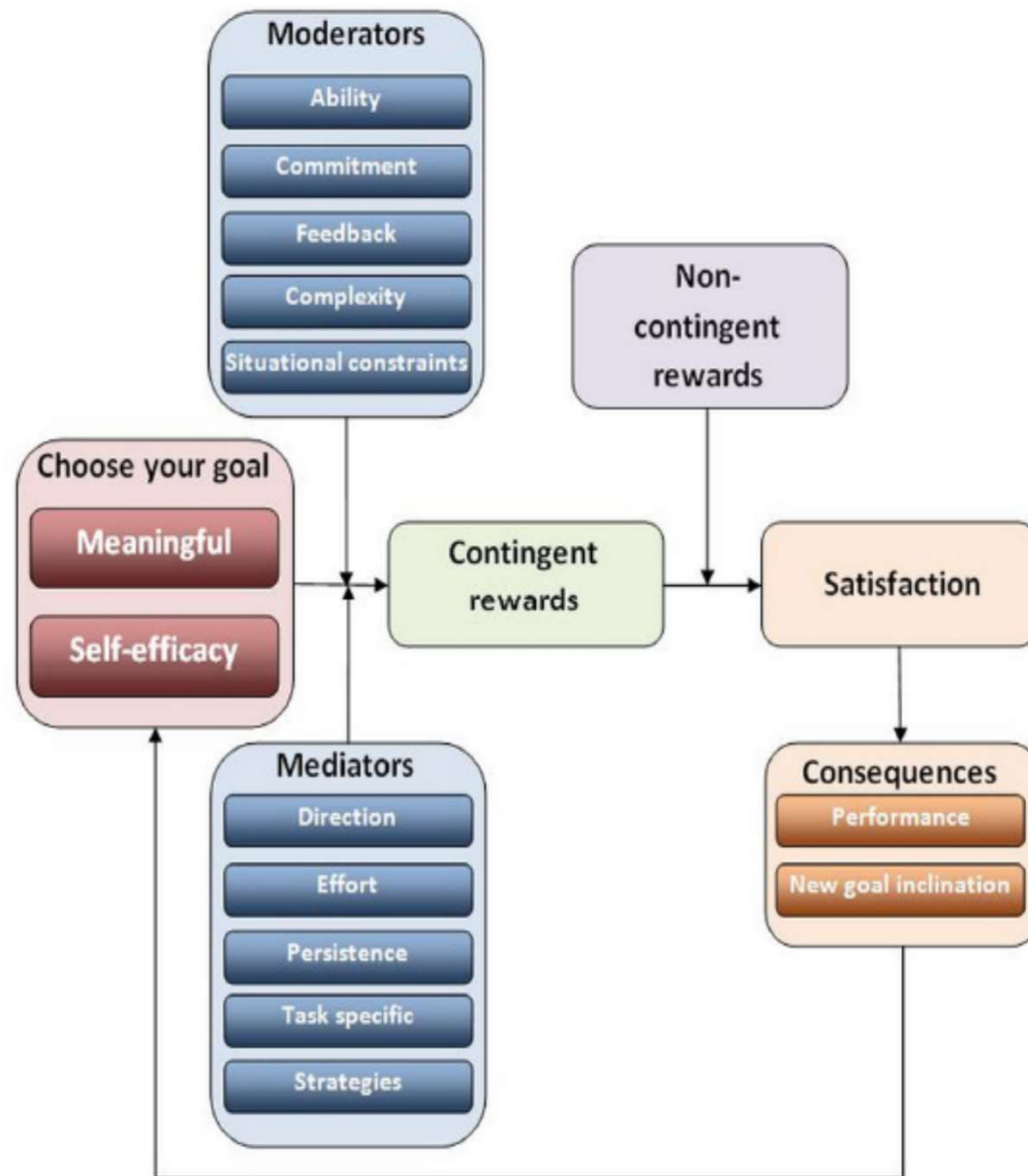
Vroom's Expectancy Theory



- Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities.
- In other hand Vroom's theory asserts that motivation is a product of valence and expectancy.
 - **Motivation = Valence * Expectancy**
- **Expectancy (Effort)** – It is the probability perceived by an individual that exertion of a specified amount of effort will lead to a certain level of performance.
- **Instrumentality (Performance)**– It is the degree to which an individual believes that performing at a particular level is instrumental in attaining the desired outcome.
- **Valence (Reward)** – It is the importance that an individual places on the potential outcome that can be achieved on the job. Valence considers both the goals and needs of the individual.

Goal Setting Theory

In the 1960's, Edwin Locke put forward the goal setting theory. Goals indicate and give direction to an employee about what needs to be done and how much effort is required to be put in.



Goal Setting Theory



- Setting of goals can also be a motivational factor affecting the human behavior.
- If goals are attainable, measurable, challenging and within the reach of individuals, they will be motivated to work towards the attainment of these goals.
- When people feel committed to organizational goals, they are motivated to work hard to achieve those goals and also associate their hard work with returns and rewards.

Goal setting Theory Principles



Clarity

Challenge

Commitment

Feedback

Task Complexity

Self efficiency

Measurable

Equity Theory



- The Equity theory developed by J. Stacey Adams; Theory proposes that employees compare what they obtain from a job (Outcome) with what they put into it (inputs) and then compare their inputs.
- There should be a balance of the outcome and inputs relationship for one person in comparison with that for another person.
- Equity theory focused on distributive Justice, which is perceived fairness of the amount and allocation of rewards among individuals.

Douglas McGregor Theory

Douglas McGregor developed an approach that showed how assumptions about worker's attitudes and behavior affect the behavior of managers. He developed two sets of assumption about human behavior which help managers in adopting motivators for them. One set of assumptions is called X Theory and the other set of assumption Theory Y.

Theory X and Theory Y (Douglas McGregor)

Theory X

Assumes that employees dislike work, lack ambition, avoid responsibility, and must be directed and coerced to perform.



Theory Y

Assumes that employees like work, seek responsibility, are capable of making decisions, and exercise self-direction and self-control when committed to a goal.



One of McGregor's theories is called the traditional theory and second theory is called modern theory. The first principle presents a pessimistic and second principle presents an optimistic view.

Douglas McGregor Theory



- **X Theory** – This theory is based on the assumption that every person wants to avoid work. Therefore, to get work out of this, a negative motivation is necessary. He can be med only by showing fear. The autocratic leadership theory is also based on this belief.
- **Y Theory** – Y theory is based on concept that every person is passive and unreliable by nature. If he is duly motivated, he can be loyal to work himself and produce more. In McGregor's words, "An effective organization is one in which there is true loyalty and cooperation in place of direction and control and whose decision involves every one affected." It is clear that according to the Y theory, to motivate employees for more work, they should make them partners in every work of organization. This theory is based on the Hawthorne Experiments. This theory offers a framework for analyzing the relationship between motivation and leadership style.

Ouchi's Z Theory



- William Ouchi proposed Theory Z as an integrated model of motivation; He developed the theory after comparing Japanese and American management practices.
- Theory Z focused on increasing employee loyalty to the company by providing a job for life with a strong focus on the well-being of the employee, both on and off the job.
- According to Ouchi, Theory Z based management tends to promote stable employment, high productivity and high employee morale and satisfaction.
- Z theory emphasizes services to the society of consumer.
- This theory contributes to its practical implementation by removing the barriers of Y Theory. This principle believes in substituting business as marketing.

References



- Gupta, A.K., (2021), Motivation Theories and their Application, International Journal of Science and Research (IJSR), Vol 10, No 3.
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Thank you for your attention