

Chapter 7

Motivation Concepts

(Click on the title when connected to the Internet for online video teaching notes)

LEARNING OBJECTIVES (ppt7-1)

After studying this chapter, students should be able to:

1. Describe the three key elements of motivation.
2. Identify early theories of motivation and evaluate their applicability today.
3. Apply the predictions of self-determination theory to intrinsic and extrinsic rewards.
4. Compare and contrast goal-setting theory and management by objectives.
5. Contrast reinforcement theory and goal-setting theory.
6. Demonstrate how organizational justice is a refinement of equity theory.
7. Apply the key tenets of expectancy theory to motivating.
8. Compare contemporary theories of motivation.
9. Show how motivation theories are culture bound.

INSTRUCTOR RESOURCES

Instructors may wish to use the following resources when presenting this chapter:

Text Exercises

- Myth or Science? Women Are More Motivated To Get Along, and Men Are More Motivated To Get Ahead
- An Ethical Choice: Putting Off Work
- International OB: How Managers Evaluate Their Employees Depends On Culture
- Point/CounterPoint: Failure Motivates
- Questions for Review
- Experiential Exercise
- Ethical Dilemma

Text Cases

- Case Incident 1: Do U.S. Workers “Live To Work”?
- Case Incident 2: Bullying Bosses

Instructor's Choice

This section presents an exercise that is NOT found in the student's textbook. Instructor's Choice reinforces the text's emphasis through various activities. Some Instructor's Choice activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in-class in their entirety, while others require some additional work on the student's part. The course instructor may choose to use these at anytime throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.



WEB EXERCISES

At the end of each chapter of this Instructor's Manual you will find suggested exercises and ideas for researching the WWW on OB topics. The exercises "Exploring OB Topics on the Web" are set up so that you can simply photocopy the pages, distribute them to your class, and make assignments accordingly. You may want to assign the exercises as an out-of-class activity or as lab activities with your class.

SUMMARY AND IMPLICATIONS FOR MANAGERS

Some theories in this chapter address turnover, while others emphasize productivity. They also differ in their predictive strength. In this section, we (1) review the most established motivation theories to determine their relevance in explaining the dependent variables and (2) assess the predictive power of each.

Need Theories --Maslow's hierarchy, McClelland's needs, and the two-factor theory focus on needs. None has found widespread support, although McClelland's is the strongest, particularly regarding the relationship between achievement and productivity. In general, need theories are not very valid explanations of motivation.

Self-Determination Theory -- As research on the motivational effects of rewards has accumulated, it increasingly appears extrinsic rewards can undermine motivation if they are seen as coercive. They can increase motivation if they provide information about competence and relatedness.

Goal-Setting Theory --Clear and difficult goals lead to higher levels of employee productivity, supporting goal-setting theory's explanation of this dependent variable. The theory does not address absenteeism, turnover, or satisfaction, however.

Reinforcement Theory --This theory has an impressive record for predicting quality and quantity of work, persistence of effort, absenteeism, tardiness, and accident rates. It does not offer much insight into employee satisfaction or the decision to quit.

Equity Theory/Organizational Justice --Equity theory deals with productivity, satisfaction, absence, and turnover variables. However, its strongest legacy is that it provided the spark for research on organizational justice, which has more support in the literature.

Expectancy Theory -- Expectancy theory offers a powerful explanation of performance variables such as employee productivity, absenteeism, and turnover. But it assumes employees have few constraints on decision making, such as bias or incomplete information, and this limits its applicability. Expectancy theory has some validity because for many behaviors people consider expected outcomes. However, it goes only so far in explaining behavior.

This chapter begins with a discussion about the Wall Street situation during recent financial distress. It recounts experiences of workers in the industry that, in general, was less negative than most people would have expected. This leads to the question why some were affected by terrible results, while others maintained relatively successful career movement, even if it meant leaving the comfort of a firm to take up operations elsewhere. This chapter will introduce some possible explanations.

BRIEF CHAPTER OUTLINE

- I. Defining Motivation (ppt7-2)
 - A. What Is Motivation?
 1. Many people incorrectly view motivation as a personal trait—that is, some have it and others do not. Motivation is the result of the interaction of the individual and the situation.
 2. Definition: Motivation is “the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal.”
- II. Early Theories of Motivation (ppt7-3)
 - A. Introduction
 1. In the 1950s three specific theories were formulated and are the best known: hierarchy of needs theory, Theories X and Y, and the two-factor theory.
 - B. Hierarchy of Needs Theory (ppt7-4)
 1. Abraham Maslow’s hierarchy of needs is the most well-known theory of motivation. He hypothesized that within every human being there exists a hierarchy of five needs: (See Exhibit 7–1).
 - a. Physiological: Includes hunger, thirst, shelter, sex, and other bodily needs.
 - b. Safety: Includes security and protection from physical and emotional harm.
 - c. Social: Includes affection, belongingness, acceptance, and friendship.
 - d. Esteem: Includes internal esteem factors such as self-respect, autonomy, and achievement; and external esteem factors such as status, recognition, and attention.
 - e. Self-actualization: The drive to become what one is capable of becoming; includes growth, achieving one’s potential, and self-fulfillment.
 2. As a need becomes substantially satisfied, the next need becomes dominant. No need is ever fully gratified; a substantially satisfied need no longer motivates.
 3. Maslow separated the five needs into higher and lower orders.
 - a. Physiological and safety needs are described as lower-order.
 - b. Social, esteem, and self-actualization are higher-order needs.
 - c. Higher-order needs are satisfied internally.
 - d. Lower-order needs are predominantly satisfied externally.
 - C. Theory X and Theory Y (ppt7-5)
 1. Douglas McGregor concluded that a manager’s view of the nature of human beings is based on a certain grouping of assumptions and he or she tends to mold his or her behavior toward employees according to these assumptions.
 2. Theory X assumptions are basically negative.
 - a. Employees inherently dislike work and, whenever possible, will attempt to avoid it.
 - b. Since employees dislike work, they must be coerced, controlled, or threatened with punishment.
 3. Theory Y assumptions are basically positive.
 - a. Employees can view work as being as natural as rest or play.
 - b. People will exercise self-direction and self-control if they are committed to the objectives.
 - D. Two-Factor Theory (ppt7-6)
 1. The Two-Factor Theory is sometimes also called motivation-hygiene theory.
 2. Proposed by psychologist Frederick Herzberg when he investigated the question, “What do people want from their jobs?” He asked people to describe, in detail, situations in which they felt exceptionally good or bad

about their jobs. (Exhibit 7-2) These responses were then tabulated and categorized.

3. Criticisms of the Two-Factor Theory (ppt7-7)
- E. McClelland's Theory of Needs (ppt7-8)
 1. The theory focuses on three needs: achievement, power, and affiliation.
 - a. Need for achievement: The drive to excel, to achieve in relation to a set of standards, to strive to succeed
 - i. Some people have a compelling drive to succeed. They are striving for personal achievement rather than the rewards of success per se. This drive is the achievement need (nAch). (ppt7-9)
 - b. Need for power: The need to make others behave in a way that they would not have behaved otherwise.
 - i. The need for power (nPow) is the desire to have impact, to be influential, and to control others.
 - c. Need for affiliation: The desire for friendly and close interpersonal relationships
 - i. The third need isolated by McClelland is affiliation (nAfl).
 2. Relying on an extensive amount of research, some reasonably well-supported predictions can be made based on the relationship between achievement need and job performance.
 - a. First, as shown in Exhibit 7-4, individuals with a high need to achieve prefer job situations with personal responsibility, feedback, and an intermediate degree of risk. When these characteristics are prevalent, high achievers will be strongly motivated.
 - b. Second, a high need to achieve does not necessarily lead to being a good manager, especially in large organizations. People with a high achievement need are interested in how well they do personally and not in influencing others to do well.
 - c. Third, the needs for affiliation and power tend to be closely related to managerial success. The best managers are high in their need for power and low in their need for affiliation.
 - d. Finally, employees have been successfully trained to stimulate their achievement need. Trainers have been effective in teaching individuals to think in terms of accomplishments, winning, and success, and then helping them to learn how to act in a high achievement way by preferring situations where they have personal responsibility, feedback, and moderate risks.

III. Contemporary Theories of Motivation (ppt7-10)

- A. Self-Determination Theory (ppt7-11)
 1. Based on the cognitive evaluation hypothesis that introduction of extrinsic rewards, such as pay, for work effort that had been previously intrinsically rewarding due to the pleasure associated with the content of the work itself, tends to decrease the overall level of motivation.
 2. When people are paid for work, it feels less like something they want to do and more like something they have to do.
 3. Self-concordance
 - a. The degree to which people's reasons for pursuing goals are consistent with their interests and core values.
- B. Goal-Setting Theory (ppt7-12)
 1. In the late 1960s, Edwin Locke proposed that intentions to work toward a goal are a major source of work motivation.
 2. Goals tell an employee what needs to be done and how much effort is needed. The evidence strongly supports the value of goals.

3. Specific hard goals produce a higher level of output than do the generalized goals.
 4. There are contingencies in goal-setting theory. In addition to feedback, three other factors influence the goals-performance relationship.
 - a. Goal commitment. Goal-setting theory presupposes that an individual is committed to the goal.
 - b. Task characteristics. Individual goal setting does not work equally well on all tasks. Goals seem to have a more substantial effect on performance when tasks are simple, well-learned, and independent.
 - c. National culture. Goal-setting theory is culture bound and it is well adapted to North American cultures.
 5. Implementing Goal-Setting (ppt7-13)
 - a. How do you make goal-setting operation in practice?
 - i. Management by Objectives (MBO)
 - (a) Participatively set goals that are tangible, verifiable, and measurable.
 - ii. Organization's overall objectives are translated into specific objectives for each succeeding level (Exhibit 7-5)
 - ii. Organization's overall objectives are translated into specific objectives for each succeeding level (Exhibit 7-5)
 - b. Four Ingredients common to MBO programs
 - i. Goal specificity
 - ii. Participation in decision making
 - iii. Explicit time period
 - iv. Performance feedback
 - c. MBO programs are common in many business, health care, educational, government, and nonprofit organizations.
- C. Self-Efficacy Theory (ppt7-14)
1. Known also as social cognitive theory and social learning theory
 2. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task.
 3. Albert Bandura, developer of self-efficacy theory: (ppt7-15)
 - a. Enactive mastery—gaining relevant experience with the task or job
 - b. Vicarious modeling—becoming more confident because you see someone else doing the task
 - c. Verbal persuasion—becoming more confident because someone convinces you that you have the skills
 - d. Arousal—leads to an energized state driving a person to complete the task
- D. Reinforcement Theory (ppt7-16)
1. In contrast to Goal-Setting theory, which is a cognitive approach, Reinforcement theory is a behavioristic approach. It argues that reinforcement conditions behavior.
 - a. Reinforcement theorists see behavior as being environmentally caused.
 - b. Reinforcement theory ignores the inner state of the individual and concentrates solely on what happens to a person when he or she takes some action.
- E. Equity Theory (ppt7-17)
1. What role does equity play in motivation? An employee with several years' experience can be frustrated to find out that a recent college grad hired at a salary level higher than he or she is currently earning, causing motivation levels to drop. Why?
 - a. Employees make comparisons of their job inputs and outcomes relative to those of others. (See Exhibit 7-7).
 2. Additionally, the referent that an employee selects adds to the complexity of equity theory. There are four referent comparisons that an employee can use: (ppt7-18)

- a. Self-inside: An employee's experiences in a different position inside his or her current organization
 - b. Self-outside: An employee's experiences in a situation or position outside his or her current organization
 - c. Other-inside: Another individual or group of individuals inside the employee's organization
 - d. Other-outside: Another individual or group of individuals outside the employee's organization
3. Which referent an employee chooses will be influenced by the information the employee holds about referents, as well as by the attractiveness of the referent.
 - a. There are four moderating variables: gender, length of tenure, level in the organization, and amount of education or professionalism.
 4. When employees perceive an inequity, they can be predicted to make one of six choices: (ppt7-19)
 - a. Change their inputs.
 - b. Change their outcomes.
 - c. Distort perceptions of self.
 - d. Distort perceptions of others.
 - e. Choose a different referent.
 - f. Leave the field.
 5. The theory establishes the following propositions relating to inequitable pay:
 - a. Given payment by time, over-rewarded employees will produce more than will equitably paid employees.
 - b. Given payment by time, under-rewarded employees will produce less or poorer quality of output.
 6. Inequities created by overpayment do not seem to have a very significant impact on behavior in most work situations.
 - a. Not all people are equity sensitive.
 - b. Employees also seem to look for equity in the distribution of other organizational rewards.
 7. Finally, recent research has been directed at expanding what is meant by equity or fairness.
 - a. Historically, equity theory focused on distributive justice or the perceived fairness of the amount and allocation of rewards among individuals.
 - b. Equity should also consider procedural justice, the perceived fairness of the process used to determine the distribution of rewards.
 8. Equity theory demonstrates that, for most employees, motivation is influenced significantly by relative rewards as well as by absolute rewards, but some key issues are still unclear.
 9. Recent research expands what is meant by equity or fairness: (Exhibit 7-9) (ppt7-20)
 - a. Distributive justice—perceived fairness of the amount and allocation of rewards.
 - b. Organization justice—overall perception of what is fair in the workplace.
 - c. Procedural justice—perceived fairness of the process used to determine the distribution of rewards.
 - d. Interactional justice—perception of the degree to which the individual is treated with dignity, concern, and respect.
- F. Expectancy Theory (ppt7-21)
1. Expectancy theory argues that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.

2. It says that an employee will be motivated to exert a high level of effort when he/she believes that:
 - a. Effort will lead to a good performance appraisal.
 - b. A good appraisal will lead to organizational rewards.
 - c. The rewards will satisfy his/her personal goals.
 - d. Three key relationships (See Exhibit 7-9).
 3. Expectancy theory helps explain why a lot of workers merely do the minimum necessary to get by. For example:
 - a. If I give a maximum effort, will it be recognized in my performance appraisal?
 - b. If I get a good performance appraisal, will it lead to organizational rewards?
 - c. If I am rewarded, are the rewards ones that I find personally attractive?
- IV. Integrating Contemporary Motivation Theories (ppt7-22)
- A. The Model in Exhibit 7-10 integrates much of what we know about motivation. Its basic foundation is the expectancy model.
 - B. Expectancy theory predicts that an employee will exert a high level of effort if he/she perceives that there is a strong relationship between effort and performance, performance and rewards, and rewards and satisfaction of personal goals.
 - C. Each of these relationships, in turn, is influenced by certain factors. For effort to lead to good performance, the individual must have the requisite ability to perform, and the performance appraisal system must be perceived as being fair and objective.
 - D. The final link in expectancy theory is the rewards-goals relationship.
- V. Global Implications (ppt7-23)
- A. Goal-setting and expectancy theories emphasize goal accomplishment as well as rational and individual thought—characteristics consistent with U.S. culture.
 - B. Maslow's need hierarchy
 1. People start at the physiological level and then move progressively up the hierarchy in this order: physiological, safety, social, esteem, and self-actualization. This hierarchy aligns with American culture.
 - C. Equity theory
 1. It is based on the assumption that workers are highly sensitive to equity in reward allocations. In the United States, equity is meant to be closely tying pay to performance.
- VI. Summary and Implications for Managers (ppt7-24)
- A. Need Theories
 1. Maslow's hierarchy, McClelland's needs, and the two-factor theory focus on needs.
 - B. Self-Determination Theory
 1. As research on the motivational effects of rewards has accumulated, it increasingly appears extrinsic rewards can undermine motivation if they are seen as coercive.
 - C. Goal-Setting Theory
 1. Clear and difficult goals lead to higher levels of employee productivity, supporting goal-setting theory's explanation of this dependent variable.
 - D. Reinforcement Theory
 1. This theory has an impressive record for predicting quality and quantity of work, persistence of effort, absenteeism, tardiness, and accident rates.
 - E. Equity Theory/Organizational Justice
 1. Equity theory deals with productivity, satisfaction, absence, and turnover

variables.

F. Expectancy Theory

1. Expectancy theory offers a powerful explanation of performance variables such as employee productivity, absenteeism, and turnover.

EXPANDED CHAPTER OUTLINE

I. Defining Motivation

A. What Is Motivation?

1. Many people incorrectly view motivation as a personal trait—that is, some have it and others do not. Motivation is the result of the interaction of the individual and the situation.
2. Definition: Motivation is “the processes that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal.”
3. We will narrow the focus to organizational goals in order to reflect our singular interest in work-related behavior.
4. The three key elements of our definition are intensity, direction, and persistence:
 - a. Intensity is concerned with how hard a person tries. This is the element most of us focus on when we talk about motivation.
 - b. Direction is the orientation that benefits the organization.
 - c. Persistence is a measure of how long a person can maintain his/her effort. Motivated individuals stay with a task long enough to achieve their goal.

II. Early Theories of Motivation

A. Introduction

1. In the 1950s three specific theories were formulated and are the best known: hierarchy of needs theory, Theories X and Y, and the two-factor theory.
2. These early theories are important to understand because they represent a foundation from which contemporary theories have grown. Practicing managers still regularly use these theories and their terminology in explaining employee motivation.

B. Hierarchy of Needs Theory

1. Abraham Maslow’s hierarchy of needs is the most well-known theory of motivation. He hypothesized that within every human being there exists a hierarchy of five needs: (See Exhibit 7–1).
 - a. Physiological: Includes hunger, thirst, shelter, sex, and other bodily needs
 - b. Safety: Includes security and protection from physical and emotional harm
 - c. Social: Includes affection, belongingness, acceptance, and friendship
 - d. Esteem: Includes internal esteem factors such as self-respect, autonomy, and achievement; and external esteem factors such as status, recognition, and attention
 - e. Self-actualization: The drive to become what one is capable of becoming; includes growth, achieving one’s potential, and self-fulfillment
2. As a need becomes substantially satisfied, the next need becomes dominant. No need is ever fully gratified; a substantially satisfied need no longer motivates.
3. Maslow separated the five needs into higher and lower orders.
 - a. Physiological and safety needs are described as lower-order.
 - b. Social, esteem, and self-actualization are higher-order needs.
 - c. Higher-order needs are satisfied internally.
 - d. Lower-order needs are predominantly satisfied externally.
4. Maslow’s need theory has received wide recognition, particularly among practicing managers. Research does not generally validate the theory.
5. Maslow provided no empirical substantiation, and several studies that sought to validate the theory found no support for it.

C. Theory X and Theory Y

1. Douglas McGregor concluded that a manager's view of the nature of human beings is based on a certain grouping of assumptions and he or she tends to mold his or her behavior toward employees according to these assumptions.
 2. Theory X assumptions are basically negative.
 - a. Employees inherently dislike work and, whenever possible, will attempt to avoid it.
 - b. Since employees dislike work, they must be coerced, controlled, or threatened with punishment.
 - c. Employees will avoid responsibilities and seek formal direction whenever possible.
 - d. Most workers place security above all other factors and will display little ambition.
 3. Theory Y assumptions are basically positive.
 - a. Employees can view work as being as natural as rest or play.
 - b. People will exercise self-direction and self-control if they are committed to the objectives.
 - c. The average person can learn to accept, even seek, responsibility. The ability to make innovative decisions is widely dispersed throughout the population.
 4. What are the implications for managers? This is best explained by using Maslow's framework:
 - a. Theory X assumes that lower-order needs dominate individuals.
 - b. Theory Y assumes that higher-order needs dominate individuals.
 - c. McGregor himself held to the belief that Theory Y assumptions were more valid than Theory X.
 - d. There is no evidence to confirm that either set of assumptions is valid.
 - e. Either Theory X or Theory Y assumptions may be appropriate in a particular situation.
- D. Two-Factor Theory
1. The Two-Factor Theory is sometimes also called motivation-hygiene theory.
 2. Proposed by psychologist Frederick Herzberg when he investigated the question, "What do people want from their jobs?" He asked people to describe, in detail, situations in which they felt exceptionally good or bad about their jobs. (Exhibit 7-2) These responses were then tabulated and categorized.
 3. From the categorized responses, Herzberg concluded:
 - a. Intrinsic factors, such as advancement, recognition, responsibility, and achievement seem to be related to job satisfaction.
 - b. Dissatisfied respondents tended to cite extrinsic factors, such as supervision, pay, company policies, and working conditions.
 - c. The opposite of satisfaction is not dissatisfaction.
 - d. Removing dissatisfying characteristics from a job does not necessarily make the job satisfying.
 - e. Job satisfaction factors are separate and distinct from job dissatisfaction factors. Managers who eliminate job dissatisfaction factors may not necessarily bring about motivation. (Exhibit 7-3)
 - f. When **hygiene factors** are adequate, people will not be dissatisfied; neither will they be satisfied. To motivate people, emphasize factors intrinsically rewarding that are associated with the work itself or to outcomes directly derived from it.
 4. Criticisms of the theory:
 - a. The procedure that Herzberg used is limited by its methodology.
 - b. The reliability of Herzberg's methodology is questioned.
 - c. No overall measure of satisfaction was utilized.

- d. Herzberg assumed a relationship between satisfaction and productivity, but the research methodology he used looked only at satisfaction, not at productivity.
 5. Regardless of criticisms, Herzberg's theory has been widely read, and few managers are unfamiliar with his recommendations.
 6. The popularity of vertically expanding jobs to allow workers greater responsibility can probably be attributed to Herzberg's findings.
- E. McClelland's Theory of Needs
1. The theory focuses on three needs: achievement, power, and affiliation.
 - a. Need for achievement: The drive to excel, to achieve in relation to a set of standards, to strive to succeed
 - i. Some people have a compelling drive to succeed. They are striving for personal achievement rather than the rewards of success per se. This drive is the achievement need (nAch).
 - (a) McClelland found that high achievers differentiate themselves from others by their desire to do things better.
 - (b) They seek personal responsibility for finding solutions to problems.
 - (c) They want to receive rapid feedback on their performance so they can tell easily whether they are improving or not.
 - (d) They can set moderately challenging goals. High achievers are not gamblers; they dislike succeeding by chance.
 - (e) High achievers perform best when they perceive their probability of success as 50-50.
 - (f) They like to set goals that require stretching themselves a little.
 - ii. The need for power (nPow) is the desire to have impact, to be influential, and to control others.
 - (a) Individuals high in nPow enjoy being "in charge."
 - (b) Strive for influence over others.
 - (c) Prefer to be placed into competitive and status-oriented situations.
 - iii. Tend to be more concerned with prestige and gaining influence over others than with effective performance.
 - b. Need for affiliation: The desire for friendly and close interpersonal relationships
 - i. The third need isolated by McClelland is affiliation (nAfl).
 - (a) This need has received the least attention from researchers.
 - (b) Individuals with a high affiliation motive strive for friendship.
 - (c) Prefer cooperative situations rather than competitive ones.
 - (d) Desire relationships involving a high degree of mutual understanding.
 2. Relying on an extensive amount of research, some reasonably well-supported predictions can be made based on the relationship between achievement need and job performance.
 - a. First, as shown in Exhibit 7-4, individuals with a high need to achieve prefer job situations with personal responsibility, feedback, and an intermediate degree of risk. When these characteristics are prevalent, high achievers will be strongly motivated.
 - b. Second, a high need to achieve does not necessarily lead to being a good manager, especially in large organizations. People with a high achievement need are interested in how well they do personally and not in influencing others to do well.

- c. Third, the needs for affiliation and power tend to be closely related to managerial success. The best managers are high in their need for power and low in their need for affiliation.
- d. Finally, employees have been successfully trained to stimulate their achievement need. Trainers have been effective in teaching individuals to think in terms of accomplishments, winning, and success, and then helping them to learn how to act in a high achievement way by preferring situations where they have personal responsibility, feedback, and moderate risks.

III. Contemporary Theories of Motivation

A. Self-Determination Theory

1. Based on the cognitive evaluation hypothesis that introduction of extrinsic rewards, such as pay, for work effort that had been previously intrinsically rewarding due to the pleasure associated with the content of the work itself, tends to decrease the overall level of motivation.
2. When people are paid for work, it feels less like something they want to do and more like something they have to do.
3. This theory also proposes that in addition to being driven by the need for autonomy, people seek ways to achieve competence and positive connection to others.
4. Self-determination theory suggests otherwise. When extrinsic rewards are used by organizations as payoffs for superior performance, the intrinsic rewards, which are derived from individuals doing what they like, are reduced.
5. The popular explanation is that the individual experiences a loss of control over his or her own behavior so that the previous intrinsic motivation diminishes.
6. Furthermore, the elimination of extrinsic rewards can produce a shift—from an external to an internal explanation—in an individual's perception of causation of why he or she works on a task.
7. If the self-determination theory is valid, it should have major implications for managerial practices.
 - a. If pay or other extrinsic rewards are to be effective motivators, they should be made contingent on an individual's performance.
 - b. Self-determination theorists would argue that this will tend only to decrease the internal satisfaction that the individual receives from doing the job.
 - c. If correct, it would make sense to make an individual's pay non-contingent on performance in order to avoid decreasing intrinsic motivation.
 - d. While supported in a number of studies, cognitive evaluation theory has also met with attacks, specifically on the methodology used and in the interpretation of the findings.
8. Self-concordance
 - a. The degree to which people's reasons for pursuing goals are consistent with their interests and core values.
 - b. People who pursue goals for intrinsic reasons are more likely to attain those goals.
 - c. People who pursue work goals for intrinsic reasons are more satisfied at work.
 - d. To take advantage of this, managers need to make the work interesting, provide recognition, and support employee growth and development.

B. Goal-Setting Theory

1. In the late 1960s, Edwin Locke proposed that intentions to work toward a goal are a major source of work motivation.
2. Goals tell an employee what needs to be done and how much effort is needed. The evidence strongly supports the value of goals.
3. Specific hard goals produce a higher level of output than do the generalized goals.
4. If factors like ability and acceptance of the goals are held constant, we can also state that the more difficult the goal, the higher the level of performance.
 - a. Why are people motivated by difficult goals?
 - i. Challenging goals get our attention and thus tend to help us focus.
 - ii. Difficult goals energize us because we have to work harder to attain them.
 - iii. When goals are difficult, people persist in trying to attain them.
 - iv. Difficult goals lead us to discover strategies that help us perform the job or task more effectively.
 - b. People will do better when they get feedback on how well they are progressing toward their goals. Self-generated feedback is more powerful a motivator than externally generated feedback.
 - c. The evidence is mixed regarding the superiority of participative over assigned goals. If employees have the opportunity to participate in the setting of their own goals, will they try harder?
 - i. A major advantage of participation may be in increasing acceptance.
 - ii. If people participate in goal setting, they are more likely to accept even a difficult goal than if they are arbitrarily assigned it by their boss.
 - iii. If participation isn't used, then the individual assigning the goal needs to clearly explain its purpose and importance.
5. There are contingencies in goal-setting theory. In addition to feedback, three other factors influence the goals-performance relationship.
 - a. Goal commitment. Goal-setting theory presupposes that an individual is committed to the goal.
 - i. Believes he or she can achieve the goal and
 - ii. Wants to achieve it.
 - b. Task characteristics. Individual goal setting does not work equally well on all tasks. Goals seem to have a more substantial effect on performance when tasks are simple, well-learned, and independent.
 - c. National culture. Goal-setting theory is culture bound and it is well adapted to North American cultures.
6. When learning something is important, goals related to performance undermine adaptation and creativity because people become too focused on outcomes and ignore changing conditions.
7. Goals can lead employees to be too focused on a single standard to the exclusion of all others.
8. Despite differences of opinion, most researchers do agree that goals are powerful in shaping behavior.
9. Setting specific, challenging goals for employees is the best thing managers can do to improve performance.
10. Implementing Goal-Setting
 - a. How do you make goal-setting operation in practice?
 - i. Management by Objectives (MBO)
 - (a) Participatively set goals that are tangible, verifiable, and measurable.
 - ii. Organization's overall objectives are translated into specific objectives for each succeeding level (Exhibit 7-5)
 - b. Four Ingredients common to MBO programs

- i. Goal specificity
 - ii. Participation in decision making
 - iii. Explicit time period
 - iv. Performance feedback
 - c. MBO programs are common in many business, health care, educational, government, and nonprofit organizations.
- C. Self-Efficacy Theory
 1. Known also as social cognitive theory and social learning theory
 2. The higher your self-efficacy, the more confidence you have in your ability to succeed in a task.
 3. Goal-setting theory and self-efficacy theory don't compete with one another; they complement each other (Exhibit 7-6).
 4. When a manager sets difficult goals for employees, it leads employees to have higher levels of self-efficacy leading them to set higher goals for their own performance.
 5. Albert Bandura, developer of self-efficacy theory:
 - a. Enactive mastery—gaining relevant experience with the task or job
 - b. Vicarious modeling—becoming more confident because you see someone else doing the task
 - c. Verbal persuasion—more confident because someone convinces you that you have the skills
 - d. Arousal—leads to an energized state driving a person to complete the task
- D. Reinforcement Theory
 1. In contrast to Goal-Setting theory, which is a cognitive approach, Reinforcement theory is a behavioristic approach. It argues that reinforcement conditions behavior.
 - a. Reinforcement theorists see behavior as being environmentally caused.
 - b. Reinforcement theory ignores the inner state of the individual and concentrates solely on what happens to a person when he or she takes some action.
 2. Operant conditioning theory, probably the most relevant component of reinforcement theory for management, argues that people learn to behave to get something they want or to avoid something they don't want.
 3. Reinforcement strengthens a behavior and increases the likelihood it will be repeated.
 4. The concept of operant conditioning was part of Skinner's broader concept of **behaviorism**, which argues that behavior follows stimuli in a relatively unthinking manner.
- E. Equity Theory
 1. What role does equity play in motivation? An employee with several years' experience can be frustrated to find out that a recent college grad hired at a salary level higher than he or she is currently earning, causing motivation levels to drop. Why?
 - a. Employees make comparisons of their job inputs and outcomes relative to those of others. (See Exhibit 7-7).
 - b. If we perceive our ratio to be equal to that of the relevant others with whom we compare ourselves, a state of equity is said to exist. We perceive our situation as fair.
 - c. When we see the ratio as unequal, we experience equity tension.
 2. Additionally, the referent that an employee selects adds to the complexity of equity theory. There are four referent comparisons that an employee can use:
 - i. Self-inside: An employee's experiences in a different position inside his or her current organization

- ii. Self-outside: An employee's experiences in a situation or position outside his or her current organization
 - iii. Other-inside: Another individual or group of individuals inside the employee's organization
 - iv. Other-outside: Another individual or group of individuals outside the employee's organization
3. Which referent an employee chooses will be influenced by the information the employee holds about referents, as well as by the attractiveness of the referent.
 - a. There are four moderating variables: gender, length of tenure, level in the organization, and amount of education or professionalism.
 - i. Gender
 - (a) Men and women prefer same-sex comparisons. This also suggests that if women are tolerant of lower pay, it may be due to the comparative standard they use.
 - (b) Employees in jobs that are not sex-segregated will make more cross-sex comparisons than those in jobs that are either male- or female-dominated.
 - ii. Length of tenure
 - (a) Employees with short tenure in their current organizations tend to have little information about others.
 - (b) Employees with long tenure rely more heavily on coworkers for comparison.
 - iii. Level in the organization
 - (a) Upper-level employees tend to be more cosmopolitan and have better information about people in other organizations. Therefore, these types of employees will make more other-outside comparisons.
 - (b) Amount of education or professionalism
 - (c) Employees with higher education are more likely to include others outside the organization as referent points
4. When employees perceive an inequity, they can be predicted to make one of six choices:
 - a. Change their inputs.
 - b. Change their outcomes.
 - c. Distort perceptions of self.
 - d. Distort perceptions of others.
 - e. Choose a different referent.
 - f. Leave the field.
5. The theory establishes the following propositions relating to inequitable pay:
 - a. Given payment by time, over-rewarded employees will produce more than will equitably paid employees.
 - b. Given payment by quantity of production, over-rewarded employees will produce fewer, but higher quality, units than will equitably paid employees.
 - c. Given payment by time, under-rewarded employees will produce less or poorer quality of output.
 - d. Given payment by quantity of production, under-rewarded employees will produce a large number of low-quality units in comparison with equitably paid employees.
 - e. These propositions have generally been supported with a few minor qualifications.
6. Inequities created by overpayment do not seem to have a very significant impact on behavior in most work situations.
 - a. Not all people are equity sensitive.

- b. Employees also seem to look for equity in the distribution of other organizational rewards.
- 7. Finally, recent research has been directed at expanding what is meant by equity or fairness.
 - a. Historically, equity theory focused on distributive justice or the perceived fairness of the amount and allocation of rewards among individuals.
 - b. Equity should also consider procedural justice, the perceived fairness of the process used to determine the distribution of rewards.
 - c. The evidence indicates that distributive justice has a greater influence on employee satisfaction than procedural justice.
 - d. Procedural justice tends to affect an employee's organizational commitment, trust in his or her boss, and intention to quit.
 - e. By increasing the perception of procedural fairness, employees are likely to view their bosses and the organization as positive even if they are dissatisfied with pay, promotions, and other personal outcomes.
- 8. Equity theory demonstrates that, for most employees, motivation is influenced significantly by relative rewards as well as by absolute rewards, but some key issues are still unclear.
- 9. Recent research expands what is meant by equity or fairness: (Exhibit 7-9)
 - a. Distributive justice—perceived fairness of the amount and allocation of rewards.
 - b. Organization justice—overall perception of what is fair in the workplace.
 - c. Procedural justice—perceived fairness of the process used to determine the distribution of rewards.
 - d. Interactional justice—perception of the degree to which the individual is treated with dignity, concern, and respect.
- F. Expectancy Theory
 - 1. Expectancy theory is one of the most widely accepted explanations of motivation. Victor Vroom's expectancy theory has its critics but most of the research is supportive.
 - 2. Expectancy theory argues that the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual.
 - 3. It says that an employee will be motivated to exert a high level of effort when he/she believes that:
 - a. Effort will lead to a good performance appraisal.
 - b. A good appraisal will lead to organizational rewards.
 - c. The rewards will satisfy his/her personal goals.
 - d. Three key relationships (See Exhibit 7-9).
 - i. Effort-performance relationship: the probability perceived by the individual that exerting a given amount of effort will lead to performance
 - ii. Performance-reward relationship: the degree to which the individual believes that performing at a particular level will lead to the attainment of a desired outcome
 - iii. Rewards-personal goals relationship: the degree to which organizational rewards satisfy an individual's personal goals or needs and the attractiveness of those potential rewards for the individual
 - 4. Expectancy theory helps explain why a lot of workers merely do the minimum necessary to get by. For example:
 - a. If I give a maximum effort, will it be recognized in my performance appraisal?

- i. No, if the organization's performance appraisal assesses nonperformance factors. The employee, rightly or wrongly, perceives that his/her boss does not like him/her.
 - b. If I get a good performance appraisal, will it lead to organizational rewards?
 - i. Typically many employees see the performance-reward relationship in their job as weak.
 - c. If I am rewarded, are the rewards ones that I find personally attractive?
 - i. It is important that the rewards be tailored to individual employee needs.
5. The key to expectancy theory is the understanding of an individual's goals and the linkage between effort and performance, between performance and rewards, and finally, between the rewards and individual goal satisfaction.
6. As a contingency model, expectancy theory recognizes that there is no universal principle for explaining everyone's motivations.
7. Attempts to validate the theory have been complicated by methodological criteria and measurement problems.
8. Published studies that purport to support or negate the theory must be viewed with caution.
9. Importantly, most studies have failed to replicate the methodology as it was originally proposed.
10. Some critics suggest that the theory has only limited use, arguing that it tends to be more valid for predicting in situations where effort-performance and performance-reward linkages are clearly perceived by the individual.

IV. Integrating Contemporary Motivation Theories

- A. The Model in Exhibit 7–10 integrates much of what we know about motivation. Its basic foundation is the expectancy model.
- B. Expectancy theory predicts that an employee will exert a high level of effort if he/she perceives that there is a strong relationship between effort and performance, performance and rewards, and rewards and satisfaction of personal goals.
 1. Each of these relationships, in turn, is influenced by certain factors. For effort to lead to good performance, the individual must have the requisite ability to perform, and the performance appraisal system must be perceived as being fair and objective.
 2. The final link in expectancy theory is the rewards-goals relationship.
 3. The model considers the achievement, need, reinforcement, and equity/organizational justice theories. High achievers are internally driven as long as the jobs they are doing provide them with personal responsibility, feedback, and moderate risks.
- C. Reinforcement theory recognizes that the organization's rewards reinforce the individual's performance.
 1. Individuals will compare the rewards (outcomes) they receive from the inputs they make with the outcome-input ratio of relevant others and inequities may influence the effort expended.

V. Global Implications

- A. Goal-setting and expectancy theories emphasize goal accomplishment as well as rational and individual thought—characteristics consistent with U.S. culture.
- B. Maslow's need hierarchy
 1. People start at the physiological level and then move progressively up the hierarchy in this order: physiological, safety, social, esteem, and self-actualization. This hierarchy aligns with American culture.

2. In countries where uncertainty avoidance characteristics are strong, Japan, Greece, and Mexico, security needs would be on top of the need hierarchy. Countries like the Netherlands and Denmark who score high on quality of life characteristics would have social needs at the top.
 3. The view that a high achievement need acts as an internal motivator presupposes two cultural characteristics—a willingness to accept a moderate degree of risk and a concern with performance.
- C. Equity theory
1. It is based on the assumption that workers are highly sensitive to equity in reward allocations. In the United States, equity is meant to be closely tying pay to performance.
 2. However, in collectivist cultures such as the former socialist countries, employees expect rewards to reflect their individual needs as well as their performance. Moreover, consistent with a legacy of communism and centrally planned economies, employees exhibited an entitlement attitude.
 3. There are cross-cultural consistencies.
 - a. The desire for interesting work seems important to almost all workers.
 - b. Growth, achievement, and responsibility were rated the top three and had identical rankings in another study of several countries.

VI. Summary and Implications for Managers

- A. Need Theories
1. Maslow's hierarchy, McClelland's needs, and the two-factor theory focus on needs.
 2. In general, need theories are not very valid explanations of motivation.
- B. Self-Determination Theory
1. As research on the motivational effects of rewards has accumulated, it increasingly appears extrinsic rewards can undermine motivation if they are seen as coercive.
 2. They can increase motivation if they provide information about competence and relatedness.
- C. Goal-Setting Theory
1. Clear and difficult goals lead to higher levels of employee productivity, supporting goal-setting theory's explanation of this dependent variable.
 2. The theory does not address absenteeism, turnover, or satisfaction, however.
- D. Reinforcement Theory
1. This theory has an impressive record for predicting quality and quantity of work, persistence of effort, absenteeism, tardiness, and accident rates.
 2. It does not offer much insight into employee satisfaction or the decision to quit.
- E. Equity Theory/Organizational Justice
1. Equity theory deals with productivity, satisfaction, absence, and turnover variables.
 2. It provided the spark for research on organizational justice, which has more support in the literature
- F. Expectancy Theory
1. Expectancy theory offers a powerful explanation of performance variables such as employee productivity, absenteeism, and turnover.
 2. Expectancy theory has some validity because for many behaviors, people consider expected outcomes.