

## Motivation

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## Motivation Theories

- Content theories
  - Human needs and how people with different needs may respond to different work situations.
- Reinforcement theory
  - How people's behavior is influenced by environmental consequences.
- Process theories
  - How people give meaning to rewards and respond with various work-related behaviors.

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## Reinforcement Theory

- Fundamentals of reinforcement theory
  - Reinforcement theory focuses on the impact of external environmental consequences on behavior.
  - Operant conditioning:
    - Developed by B.F. Skinner
    - Applies law of effect to control behavior by manipulating its consequences

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## Reinforcement Theory

- Law of effect — impact of type of consequence on future behavior
  - Behavior followed by pleasant consequences is likely to be repeated.
  - Behavior followed by unpleasant consequences is not likely to be repeated
- Organizational behavior modification – using operant conditioning to influence human behavior at work

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## Reinforcement Theory

- Types of Reinforcement
  - Positive reinforcement
  - Negative reinforcement
  - Extinction
  - Punishment

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## Reinforcement Theory

- Operant conditioning strategies:
  - Positive reinforcement
    - Increases the frequency of a behavior through the contingent presentation of a pleasant consequence.
  - Negative reinforcement
    - Increases the frequency of a behavior through the contingent removal of an unpleasant consequence.

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## Reinforcement Theory

- Operant conditioning strategies:
  - Punishment
    - Decreases the frequency of a behavior through the contingent presentation of an unpleasant consequence.
  - Extinction
    - Decreases the frequency of a behavior through the contingent removal of an pleasant consequence.

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## Reinforcement Theory

- Schedules of reinforcement
  - Time – interval
  - Ratio - # of occurrences

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## Reinforcement Theory

- Schedules of reinforcement
  - Time – interval
  - Ratio - # of occurrences
  - Fixed – constant
  - Variable - changing

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## Schedules of Reinforcement

	Fixed	Variable
Interval	Regular paycheck	Spv visits shop floor on different unannounced days each week
Ratio	Commissions, Piece-rate pay	Praise, Slot machine

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## Reinforcement Theory

- Successful implementation of positive reinforcement is based on ...
  - Law of contingent reinforcement
    - Reward delivered only if desired behavior is exhibited.
  - Law of immediate reinforcement
    - More immediate the delivery of a reward, the more reinforcement value it has.

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## Reinforcement Theory

- Guidelines for using positive reinforcement:
  - Clearly identify desired work behaviors.
  - Maintain a diverse inventory of rewards.
  - Inform everyone about what must be done to get rewards.
  - Recognize individual differences when allocating rewards.
  - Follow the laws of immediate and contingent reinforcement.

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## Reinforcement Theory

- Guidelines for using punishment:
  - Tell the person what is being done wrong.
  - Tell the person what is being done right.
  - Match the punishment to the behavior.
  - Administer punishment in private.
  - Follow laws of immediate and contingent reinforcement.

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## Reinforcement Theory

- Ethical issues in reinforcement:
  - Ignores individuality
  - Restricts freedom of choice
  - Ignores the possibility of other types of motivation
- Key ethical question concerns whether it is ethical to not control behavior well enough to serve both individual and organizational goals.

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## Process Theories

- Process theories of motivation
  - How people make choices to work hard or not
- Choices are based on:
  - Individual preferences
  - Available rewards
  - Possible work outcomes
- Types of process theories:
  - Equity theory
  - Expectancy theory
  - Goal-setting theory

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## Process Theories

- Equity theory
  - Developed by J. Stacy Adams
  - Perceived inequity is a motivating state.
    - People who feel underpaid experience a sense of anger.
    - People who feel overpaid experience a sense of guilt.
  - People respond to perceived inequity by changing
    - Work inputs
    - Rewards received
    - Comparison points
    - Situation

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## Equity Theory

- Equity - my outputs as compared to inputs equal your outputs as compared to inputs
- Inequity
  - Guilt = my outputs compared to inputs < your outputs compared to inputs
  - Anger = my outputs compared to inputs > your outputs compared to inputs
- Motivated to restore equity

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## Equity Theory

- Managerial implications of equity theory
  - Perceptions of rewards determine motivational outcomes.
  - Negative consequences of equity comparisons should be minimized, if not eliminated.
  - Do not underestimate the impact of pay as a source of equity controversies in the workplace.
    - Gender equity
    - Comparable worth

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## Process Theories

- Expectancy theory
  - Developed by Victor Vroom
  - Key expectancy theory variables:
    - Expectancy — belief that working hard will result in desired level of performance
    - Instrumentality — belief that successful performance will be followed by rewards
    - Valence — value a person assigns to rewards and other work related outcomes

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## Expectancy Theory

- Motivation (M), Expectancy (E), Instrumentality (I), and Valence (V) related to one another in a multiplicative fashion:  $M = E \times I \times V$ 
  - If either E, I, or V is low, motivation will be low.

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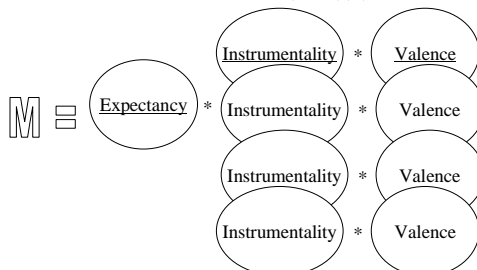
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## Expectancy Theory

$$\text{Motivation} = [E \rightarrow P] \times \Sigma [(P \rightarrow O)(V)]$$




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## Expectancy

$$\text{Motivation} = [E \rightarrow P]$$

One's perception that a certain level of effort  
will lead to a certain level of performance

1st level outcome

Probability that x effort  $\longrightarrow$  y units  
produced

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## Instrumentality

$$\text{Motivation} = [E \rightarrow P] \times \Sigma [(P \rightarrow O)]$$

One's perception that a certain level of  
performance will lead to a certain  
outcome

2nd level outcome

Probability that y units produced  $\longrightarrow$  z

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## Valence

$$\text{Motivation} = [E \rightarrow P] \times \Sigma [(P \rightarrow O) (V)]$$

The value an individual places on a  
particular outcome

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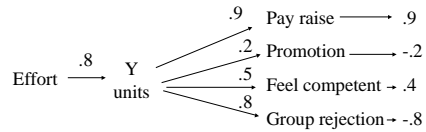
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## Expectancy Theory

$$\text{Motivation} = [E \rightarrow P] \times \Sigma [(P \rightarrow O) (V)]$$



$$(.8) \times [.81 - .04 + .2 - .64] = (.8) (.33) = .264$$

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## Expectancy Theory

- Managerial implications of expectancy theory—
  - To maximize expectancy, managers should:
    - Select workers with ability
    - Train workers to use ability
    - Support work efforts
    - Clarify performance goals

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## Expectancy Theory

- Managerial implications of expectancy theory—
  - To maximize instrumentality, managers should:
    - Clarify psychological contracts.
    - Communicate performance-outcome possibilities.
    - Identify rewards that are contingent on performance.

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## Expectancy Theory

- Managerial implications of expectancy theory—
  - To maximize valence in a positive direction, managers should:
    - Identify individual needs.
    - Adjust rewards to match individual needs.

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## Process Theories

- Goal-setting theory
  - Developed by Edwin Locke
  - Task goals are clear and desirable performance targets.
  - Motivational effects of task goals:
    - Provide direction to people in their work.
    - Clarify performance expectations.
    - Establish a frame of reference for feedback.
    - Provide a foundation for behavioral self-management.

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## Goal-Setting Theory

- Key issues and principles in the goal-setting process:
  - Set specific goals.
  - Set challenging goals.
  - Build goal acceptance and commitment.
  - Clarify goal priorities.
  - Provide feedback on goal accomplishment.
  - Reward goal accomplishment.

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## Goal-Setting Theory

- Participation in goal setting
  - Allows for increased understanding of specific and difficult goals
  - Provides for greater acceptance of and commitment to goals
  - Management by objectives (MBO) promotes participation
  - When participation is not possible, workers will respond positively if supervisory trust and support exist.

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## Trends in Motivation and Compensation

- Pay for performance
  - Paying people for performance is consistent with:
    - Equity theory
    - Expectancy theory
    - Reinforcement theory
  - Merit pay
    - Awards a pay increase in proportion to individual performance contributions.

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## Trends in Motivation and Compensation

- Pay for knowledge
  - Skills-based pay
    - Pay based on number of job-relevant skills an employee masters.
    - Common in self-managing teams.

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## Trends in Motivation and Compensation

- Incentive compensation systems
  - Bonus pay plans
    - One-time or lump-sum payments based on the accomplishment of specific performance targets or some extraordinary contribution.
  - Profit-sharing plans
    - Some or all employees receive a proportion of net profits earned by the organization during a given time period.

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## Trends in Motivation and Compensation

- Incentive compensation systems
  - Gain-sharing plans
    - Groups of employees share in any savings realized through their efforts to reduce costs and increase productivity.
  - Employee stock ownership plans
    - Employees own stock in the company that employs them.

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