

# Motivation



**Discipline Courses-I  
Semester-I**

**Paper : Organization Behaviour  
Unit-II**

**Lesson: Motivation**

**Lesson Developer: Kangan Jain**

**College/Department: KeshavMahavidyalaya, University of Delhi**

# Motivation

## Lesson: Contemporary Theories of Motivation

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### 1. Learning Outcomes:

After you have read this lesson, you should be able to:

- appreciate the need for contemporary theories of motivation,
- differentiate between different contemporary theories of motivation,
- understand how theories of motivation affect employee performance,
- identify suitable compensation in accordance with a particular motivation theory.

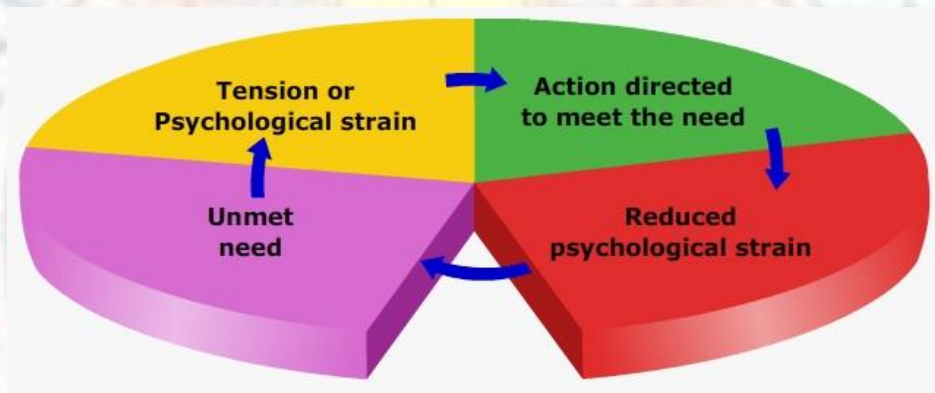
# Motivation

## 2. Introduction:

What do you think motivates employees to excel? What is it that an organization does to stir people and motivate them to work towards the achievement of organizational goals? The word motivation is derived from the word 'Motive' which is, "the psychological feature that arouses an organism to act towards a desired goal." It is the reason behind an action. It is that which gives purpose and direction to behavior. From this, we may say that motivation is the condition of being desirous (motivated) to work. It is the process of inducing people to act in the required manner. Motivation is the drive that propels people into action and continues to retain them in action.

Motivation is an ongoing process. It starts with an unmet need. This causes tension or mental strain in the individual and acts as a drive that induces the individual to do the needful to satisfy the need. Once the need is met, it reduces the mental strain until a new-unsatisfied need creates the loop again. This process is explained in the following figure.

Figure 1: Motivation Process



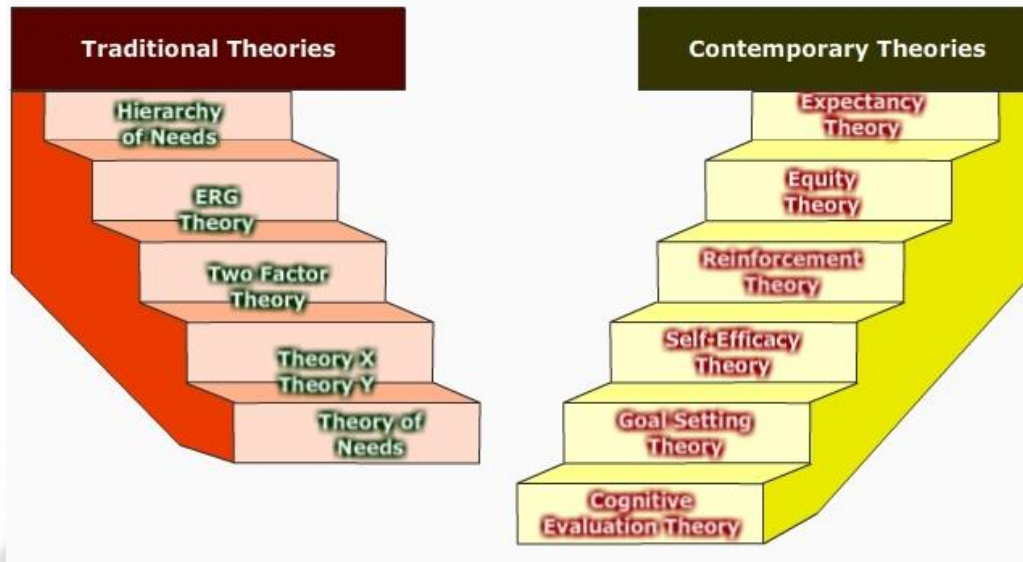
Motivation in this way accounts for an individual's intensity, i.e. the amount of energy one is willing to expend on a task; direction, i.e. concentration of energy on something; and persistence, i.e. continuing and repeating behaviour, towards attaining a goal.

## 3. Contemporary Theories of Motivation

Motivation concepts developed in the 1950s. Five major theories were developed thereafter. These are known as the early or the traditional theories of motivation as shown in the figure below. Although these theories could not be proved by empirical evidence, yet they are the best-known explanations for the employee behavior at workplace. These theories also provide a strong foundation for the modern or the contemporary theories of motivation.

Figure 2: Theories of Motivation

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Due to negligible changes in employee's expectations from job, lack of adequate empirical support, and with the passage of time, the traditional theories of motivation have paved way for the contemporary theories of motivation. The contemporary theories of motivation are so called not because they succeeded the traditional motivation theories, but because they represent the current framework for understanding employee motivation. The contemporary theories of motivation provide a deeper insight into the employee's psyche in order to explain what factors lead to job satisfaction, attainment of career goals and hence, motivation. The lesson describes the following contemporary theories of motivation:

Figure 3: Contemporary Theories of Motivation



## 2.1 Cognitive Evaluation Theory

Material rewards contingent on superior performance incentivize employee efforts. In this way, the reward or the external event controls employee behavior at workplace. At the



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same time the external events provide feedback to the employee on his or her competence in dealing with the assigned task, for example, a reward of Rs. 500 rupees given to a stenographer for typing more number of pages in lesser time provides information to the recipient of the award that his or her performance is above average.

In order to understand the theory, let us recall the concept of intrinsic and extrinsic motivation. Intrinsic motivation is something that is within the individual. It is an internal driving force like, passion or strong interest for some work. Extrinsic motivation comes from outside an individual in the form of some benefits.

<b>Value Addition 1: Image</b>
<b>From Amotivation to Intrinsic Motivation</b>
Click on the link below to view a detailed image that describes the journey from amotivation to being intrinsically motivated.
Source: <a href="http://www.nadasisland.com/motivation/stairwaylady.gif">http://www.nadasisland.com/motivation/stairwaylady.gif</a>

Based on this, the Cognitive Evaluation Theory proffers three propositions:

1. External events that are instrumental in regulating employee behavior influence intrinsic motivation to the extent they have a bearing on the perceived locus of causality (PLOC). Consequently, events that further a more external PLOC will weaken intrinsic motivation, whereas events that further a more internal PLOC will strengthen intrinsic motivation.
2. External events affect a person's intrinsic motivation for a challenging task to the extent they have a bearing on the person's perceived competence, within his or her framework of self-determination. Consequently, events that further greater perceived competence will strengthen intrinsic motivation, whereas those that further lower perceived competence will weaken intrinsic motivation.
3. External events instrumental in regulating work behavior have another main potential aspect. The feedback or informational aspect that alleviates internal PLOC and perceived competence, thereby strengthening intrinsic motivation. The controlling aspect of the external events alleviates external PLOC, thereby sabotaging intrinsic motivation and causing extrinsic submission to the task. The third potential aspect is the amotivating aspect. The amotivating aspect furthers perceived incompetence, thereby weakening intrinsic motivation and causing amotivation. The relevant importance of these three aspects to an employee determines the functional appropriateness of the event.

The Cognitive Evaluation Theory purports that the introduction of extrinsic rewards, such as, pay, for work effort that was earlier intrinsically gratifying due to satisfaction and pleasure associated with the work itself, tends to decrease overall motivation. For example, Ms. Raveena, a social activist, fortified with the desire to work for the society, volunteered to work for an NGO that seeks to uplift the plight of rural women, in order to derive pleasure from such work. Later the NGO hired her full time paying Rs. 28000/month. All Ms. Raveena had to say after a month was that though she did the same work now as she used to do before, but now, it is no longer fun. She feels she is working for money and not for the society.

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The Cognitive Evaluation Theory asserts that all external events have a controlling and a feedback or informational aspect. The theory assumes that people have an inherent desire for self-determination and competence. The controlling aspect of the external events relates to the desire for self-determination, while the feedback aspect deals with the desire for competence.

### Value Addition 2: Did You Know?

#### Controlling Aspect and Informational Aspect of Cognitive Evaluation Theory

Click on the link below to know about the two fold purpose of using extrinsic motivators as given by the cognitive evaluation theory. The first purpose is of course to reduce the occurrence of undesirable behavior or increase desirable behavior, which is the controlling aspect of giving extrinsic benefits; the second purpose is merely to communicate the fact that the job was done well, which is the informational aspect of extending extrinsic benefits.

Source: <http://www.uiowa.edu/~c07p075a/class1/Classhandouts/cetpropositions.htm>

### Organization Behavior Implication of the Cognitive Evaluation Theory

1. The Cognitive Evaluation Theory has been extensively researched and a number of studies have corroborated its stance. The major implication of the Cognitive Evaluation Theory relates to the way people are paid in organizations. Hitherto, it was assumed that intrinsic premiums such as interesting work, sense of achievement, growth were independent of extrinsic premiums and accolades such as high pay. The Cognitive Evaluation Theory suggests contrarily. It argues that when extrinsic benefits are used by organizations as rewards for superior performance, the intrinsic premium, which the individual derives from such work, gets reduced. This is to say that when extrinsic rewards are given as payoffs for performing something interesting, it reduces intrinsic benefit or causes intrinsic disinterest in the task itself. This behavior can be attributed to the certain factors. Firstly, with extrinsic rewards, such as, high pay, individual experiences a loss of control over his work. And secondly, an abandoning of extrinsic rewards can cause a shift in individual's perception of causation as to why she or he does the task – from being externally driven to being internally driven.
2. According to the Cognitive Evaluation Theory, an individual's pay should not be dependent on his performance in order to keep him intrinsically motivated towards his job.

Research suggests that people who are intrinsically motivated to work are more satisfied with their job and perform better. The OB implication of the theory is that managers should provide both intrinsic and extrinsic rewards to their employees. When employees feel that their work is under their own control and is a result of free choice, they are more motivated towards it. This helps in creating a committed workforce.

### Value Addition 3: Activity

#### Effect of Extrinsic Reward on Intrinsic

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- If you are told that you may study this lesson at your sweet will, with interest, enthusiasm at your own pace, whenever you feel like it. But if your professor asks for a test on this lesson at a certain date, will your interest for reading increase or decrease?
- If an employee loves to do a particular tasks, and he is rewarded an incentive for every creative tasks that he does beyond the routine task, will his creativity improve or worsen?  
Discuss your opinion with your peers and explain the Cognitive Evaluation Theory with in the light of above examples.

### **The Cognitive Evaluation can be seen to have the many advantages:**

1. Significant empirical evidence stands in support of this theory.
2. The theory delves deep into the human psychology to arrive at an effective way to keep employees intrinsically motivated.

### **Despite its advantages, the theory has certain limitations:**

1. It may not be applicable to employees who simply do not want to work (Theory X people).
2. It does not seem logical to pay employees irrespective of their performance. A basic pay can be non-contingent on performance. But piecemeal system of payment is also known to have its own benefits.

A prolongation of the Cognitive Evaluation Theory is the **Self-Concordance Theory**. The Self-Concordance Theory considers the extent to which a person's inducement for pursuing a goal is compatible with the person's interests and core values.

If a person is pursuing a goal, propelled by an intrinsic interest, he is more likely to succeed and will be happy even if he is unable to achieve it. This is because the process of striving for an intrinsically driven goal is fun. In contrast, if a person is pursuing a goal, driven by a desire for extrinsic rewards, such as a high pay, status, and recognition, he is less likely to reach towards it and end up being less happy even when he achieves it. This is because the goal is less meaningful to him.

### **Value Addition 4: Did You Know?**

#### **Self Determination Theory (SDT)**

CET is a sub-set of SDT theory that describes intrinsic and extrinsic motivational sources in the process of both cognitive and social development. Click on the links given in source to view an image on Self Determination Theory and read about the theory.

Source: 1.

[http://3.bp.blogspot.com/\\_95P6PNUczuc/TFIFhXeheuI/AAAAAAAAAAw/gVVQzwCIXVU/s1600/Picture+1.png](http://3.bp.blogspot.com/_95P6PNUczuc/TFIFhXeheuI/AAAAAAAAAAw/gVVQzwCIXVU/s1600/Picture+1.png)

2. <http://www.selfdeterminationtheory.org/theory>

### **Value Addition 5: Video**

#### **Cognitive Evaluation Theory**



## Motivation

Click on the link below to view a video on Reward structures and cognitive evaluation theory. List the category of rewards described in the video. Discuss with your peers the different tangible and intangible rewards given in organizations, the generally expected and unexpected rewards in Indian context, and the contingency aspect as described in the video.

Source: <http://www.youtube.com/watch?v=K3LcajHXsCQ>

### 3.2 Goal Setting Theory

The Goal Setting Theory was proposed by Edwin Locke. The theory links goal attributes such as specificity, challenge and feedback with performance. It finds a positive correlation between goal specificity, challenge and feedback, and employee performance. This is to say that, a specific and challenging goal, with an inbuilt feedback mechanism, can track deviations and bring the employee back on the right track, leading to high performance. A specific goal is one which tells the employee what exactly needs to be done and how much effort is required to be expended in order to attain it.

#### Value Addition 6: Example

##### Goal Setting Theory

A professor gave building blocks to his MBA students at a B-school. He divided the class into two groups with equal number of students in each group. The first group was asked to build as high as they could. They achieved 14 levels. The second group was given the target of 19 levels and they achieved 21. Thus, despite similar conditions, goal setting lead the second group to outperform the first.

It is easy to understand that easy goals are more likely to be accepted. But difficult goals, once accepted, induce the employees to expend more efforts in achieving them. Hence, difficult or challenging goals enhance performance. Feedback, in the process of working towards the goal, helps to plug loopholes and keeps performance moving on the right track. Hence, feedback acts like a guide to employee behavior.

Edwin Locke and Dr. Gary Lantham gave five principles for setting effective goals that will motivate employees. The five principles are as follows:

1. **Clarity:** Goal clarity refers to the quality of the goal of being free from obscurity and hence being easy to understand. A clear goal is one that is objective, measurable and leaves no room for misunderstanding. For a firm producing only 1 type of product, 'reduce defective units' is not a clear goal, as the employee who is assigned this task does not know exactly the depth of his task and also the timeframe given to him. On the other hand, 'reduce defective units by 50% by December '13' is a clear goal, as it leaves no room for confusion.
2. **Challenge:** A goal must be challenging. This is to say that it must be demanding. Too easy a goal is taken to be a cakewalk by the employees and hence, employees are not motivated to improve their performance. On the other hand, too highly set a goal might not even induce the employees to try to work towards it. Therefore, goals should be challenging but at the same time, they must be achievable.



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3. **Commitment:** In order to make goals more effective and motivating, they need to be agreed upon. An agreement towards the goals set is possible by involving employees in the goal setting process. Employee participation through representation in the goal setting process ensures minimal friction in their acceptance by the team and enhances commitment to goals.
4. **Feedback:** Feedback is the process in which part of the output of a system is returned to its input in order to regulate its further output. In other words, feedback is a type of progress reporting. It gives a chance to supervisors to clarify goal requirements and adjust the goal difficulty level in case it is too easy or too hard for the employee so as to keep him or her motivated. Feedback gives a chance to the employee to know if he is moving in the desired direction. In the process, digressions get identified so that corrective measures can be taken before things move out of hand.
5. **Task complexity:** Complexity of a goal refers to the level of difficulty and the time expectations associated with it. Unreasonable time expectations have a dampening effect on employee performance and hence motivation since he or she ends up being over-stressed and consequently less efficient in trying to meet the tight deadline. At the same time allowance of more time does not put any challenge to the employees and they are not motivated. The task complexity has to be balanced and more challenging to make the people work.

### Value Addition 7: Did You Know?

#### Incorporation of Goal Setting Theory in Management by Objectives

Can we integrate Five principals of goal setting by Locke with the acronym 'SMART' goals?



Can we relate clarity with specificity, challenge with realism, commitment with assignability, feedback with measurability, and task complexity with being realistic and time bound? Discuss with your peers.

Source: <https://wikispaces.psu.edu/download/attachments/41095604/smart.jpg?version=1&modificationDate=1254338747000>

### Organizational Implication of the Goal Setting Theory

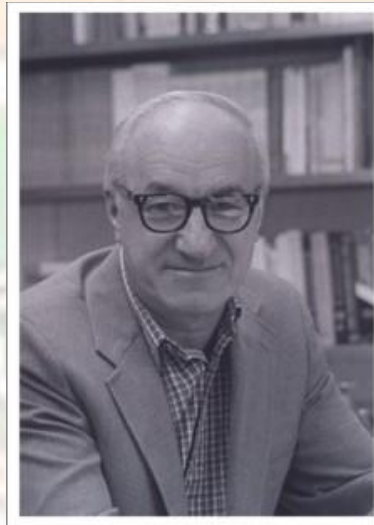
## Motivation

1. Goal setting can be used as a powerful tool to motivate employees. Goal achievement leaves the employee with a sense of accomplishment. Achieving a goal and being rewarded for it leaves the employee more motivated to work towards it the next time.
2. The theory suggests that there are two ways to set goals – the right way and the wrong way. Clear, challenging goals with inbuilt mechanism for feedback, set with employee participation result in well set goals, while poorly set goals are vague and unable to elicit workforce commitment. Well-set goals improve employee performance and lead to organizational effectiveness, while poorly set goals lead to ineffective efforts and inefficiency in the organization.

The theory has an impressive empirical base. However, in spite of having a strong research base, the theory faces criticism because it ignored factors such as performance, commitment to goal, and task characteristics, that are known to have a considerable effect on goals and employee effort towards attaining them. Hence, the theory cannot be taken to be a universal truth.

### 2.3 Self-Efficacy Theory

Figure 4: Albert Bandura



Source: <https://wikispaces.psu.edu/display/PSYCH484/7.+Self-Efficacy+and+Social+Cognitive+Theories>

Albert Bandura developed the Self Efficacy Theory. Self-efficacy relates to an individual's belief in his capabilities in performing a task. The higher an individual's self-efficacy, the more confident he is in his ability to succeed in the task at hand. Bandura found out that in hard times, people with low self-efficacy are more likely to reduce their effort or to give up completely, while people with high self-efficacy will try persistently, even harder, during difficult times.

In his study, Bandura also concluded that those with low self-efficacy are likely to reduce their effort as a consequence of negative feedback on their performance. On the other hand, those with high self-efficacy, respond to negative feedback with greater motivation and an even greater effort.

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There are four sources of information that are used by individuals when forming self-efficacy judgments. These relate to their accomplishments or failures in the past, insights gained by observing others, persuasion and coaching provided by others to help them go through a task, and their physiological and psychological state at a given point of time. These four parameters are at play to help form a judgment about self-efficacy of an individual. The self-efficacy so developed influences his behaviour and actions.

Figure 5: Self-Efficacy is linked to Goal Attainment and Motivation



Source: <https://wikispaces.psu.edu/display/PSYCH484/7.+Self-Efficacy+and+Social+Cognitive+Theories>

For example, if a person has been successful in his/her endeavors in the past, the person's self-efficacy about himself/herself will improve. On the other hand facing failures one after the other will undermine the person's self-efficacy. If a person has had the opportunity of observing someone doing tasks in a certain way and being successful, the person will model the behaviour, and the self efficacy will improve with the expectation of replicating the action and the consequent results. Also, if a person is persuaded with genuine feedback on his/her performance, and valuable suggestions to be successful, the person's self-efficacy gets better. Good physical and psychological health of the person also improves his/her self-efficacy and the person forms a positive judgment of his/her ability in performing the assigned tasks.

On the contrary, inadequate personal accomplishments, observation of failures, lack of social persuasion, and poor physiological and psychological state affects self efficacy of a person negatively, such that it creates negative judgments about one's ability in performing the assigned tasks.

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### Value Addition 8: Video

#### Self Efficacy Theory by Bandura

Click on the link below to watch a video on the Social Cognitive Theory and particular reference to self-efficacy theory, its role and sources. After viewing the video, discuss the characteristics of people with respect to their view of their capabilities and the tasks they normally perform based on their perceived capabilities. Also list the four principle sources of self-efficacy as shown in the video and introspect your self-efficacy justifying the sources that you feel made you think you are capable (or otherwise).

Source: <http://www.youtube.com/watch?v=wrzzbaomLmc>

**Organization Behavior Implication of the Self-Efficacy Theory:** It is for managers to find ways such as training, etc. to increase an employee's self-efficacy.

The theory has the advantage that it is logical in saying that confidence in own capabilities can produce superior result. Self-efficacy theory has been applied in the areas of relations, health behaviour change, and to deal with depression. However, the critics argue that Bandura's study focused on a limited set of factors that can produce self-efficacy. Factors such as intelligence, emotional stability and conscientiousness were out of the realm of Bandura's research.

### Value Addition 9: A Comparative Aspect

#### Goal Setting Theory and Self Efficacy Theory

Goal Setting Theory and the Self Efficacy Theory complement each other. For example, when a manager sets challenging and specific goals for employees, this causes employees to have higher level of self-efficacy and also causes them to set high goals for personal performance. This is because by setting higher goals for the individual, the manager communicates his confidence in the individual's capabilities. Consider a scenario wherein your boss sets a higher goal for you than for your co-workers. This causes you to think that he has more confidence in you than on your co-workers. The impact of this managerial confidence in your behavior will make you more confident and lead you to set higher personal goal, thereby causing you to perform better than your co-workers.

## 2.4. Reinforcement Theory

Reinforcement theorists believe that behavior is controlled by reinforcers. Reinforcers are stimuli that strengthen or weaken behavior. According to the Reinforcement theory, consequences that immediately follow behavior, increase the probability of that behavior being repeated. The behavior that an individual engages at work and the amount of effort he expends at work are affected by the consequences that follow from his work. For example, if an employee is consistently reprimanded for out-performing his co-workers, he is likely to reduce his productivity. On the other hand, if an employee is consistently applauded for out-performing his co-workers, he is likely to increase his productivity even more.

### Organization Behavior Implications of the Reinforcement Theory



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1. Positive reinforcers tend to improve employee productivity while negative reinforcers tend to demotivate employees. Management must carefully use negative reinforcers, as they are known to adversely affect employee performance.
2. Negative reinforcers should be spelled to the employee in private while positive reinforcers should be made public as this has a greater impact on employee morale and hence, his motivation and performance level.

The advantage of this theory is that reinforcements have an important influence on the employee behavior, and rationality suggests that behaviour is environmentally caused. The criticisms laid against the Reinforcement Theory are that reinforcement(s), though an important factor in influencing behavior, is not the only factor that affects behavior. Also, cognitive variables, such as, attitudes and expectations, have not been addressed by the Reinforcement Theory.

### 2.5 Equity Theory

The theory was propounded by Stacy Adam. According to the Equity Theory, equity plays a major role in motivation. Employees generally make comparisons of their job inputs and outcomes relative to those of relevant others. Inputs include effort that employees expend, that is, their experience, education and competence. Outcomes include salary levels, promotions and recognition etc. Employees compare their output-input ratio with those of relevant others. They perceive what they get in relation to what they put in.

Figure 6: Equity and Inequity based on Inputs and Outputs

Person	Referent	Situation	Condition	Result
$\frac{\text{Output A}}{\text{Input A}} > \frac{\text{Output B}}{\text{Input B}}$		Inequity	Over-rewarded	Friction
$\frac{\text{Output A}}{\text{Input A}} < \frac{\text{Output B}}{\text{Input B}}$		Inequity	Under-rewarded	Friction
$\frac{\text{Output A}}{\text{Input A}} = \frac{\text{Output B}}{\text{Input B}}$		Equity	Rewarded at par	No Friction

The figure shows that if an employee perceives his ratio to be equal to that of relevant others, equity is said to exist. He considers the situation as fair and just. When the employee perceives the ratio as unequal, equity tension is said to prevail. When the employee is under rewarded, equity tension creates anger and frustration and when the employee is over rewarded, the tension creates guilt. It is proposed that this adverse state of tension motivates employees to take measures to correct the deficiency in a way that equity is established. This may call for greater inputs such that the outcome grows.

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Historically, the theory laid emphasis on distributive justice. Distributive justice is the employee's perceived fairness of the amount and allocation rewards among individuals. But now, equity is considered from the point of view of organizational justice. Organizational justice is an employee's overall perception of what is fair and just in the workplace. Employees view the organization as just when they feel that the pay they have received and the manner in which they received, are fair.

## Organization Behavior Implications of the Equity Theory

1. Management should in advance inform employees about the reward allocation policies in the organization and ensure transparency as much as possible.
2. Management should avoid practices that advocate secrecy about pay policies and hence promote inequity in the organization.

### The theory is applauded for many reasons:

1. The propositions of the theory have a logical appeal.
2. It is simple to understand.
3. Also, being under rewarded compared to relevant others, employee definitely feels angry and frustrated. This is quite intuitive.

### Despite its advantages, the theory has been criticized on the several grounds:

1. Not all the propositions of the theory are supported with evidence.
2. Also, it is seen that inequities caused due to over rewarding, do not have any great impact on employee motivation and hence, performance.
3. The Equity theory focuses mostly on pay and not other organizational premiums such as perks, lavish office, high status job title and so on, which are also known to significantly affect employee motivation towards his job.

### Value Addition 10: Video

#### Equity Theory

Click on the link below to watch a video on equity theory and its relevance to the employees and managers in a workplace. List the five aspects described in the video in the context of equity theory. Based on the example of Jane and Bob given in the video, describe another example of consequences of inequity in organizations. What did you gather about the implications to a manager in motivating his/her employees based on this theory after viewing the video?

Source: [https://www.youtube.com/watch?v=2p\\_4C0Mzne4](https://www.youtube.com/watch?v=2p_4C0Mzne4)

## 2.6 Expectancy Theory

Figure 7: Victor Vroom

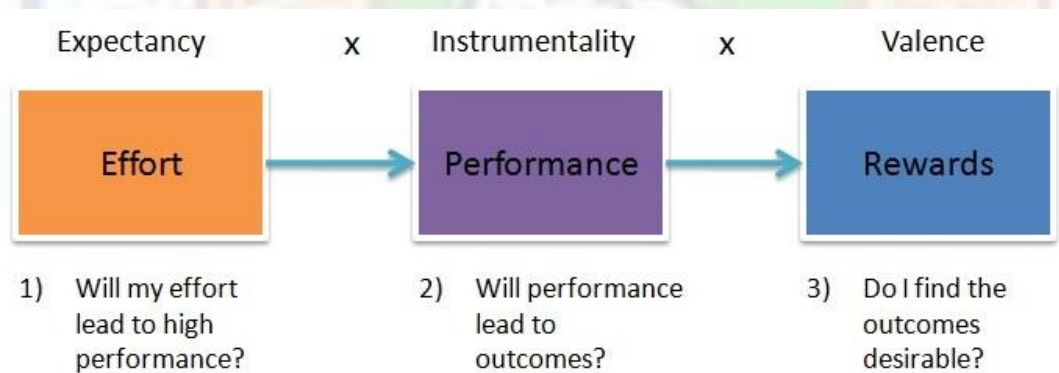
## Motivation



Source: <https://wikispaces.psu.edu/display/PSYCH484/4.+Expectancy+Theory>

The Expectancy Theory of motivation was propounded by Victor Vroom. Unlike other motivation theories, which focus on the needs of a person, the Expectancy Theory focuses on the outcomes. According to this theory, the effort that an employee expends on a particular job is the consequence of his level of motivation, which in turn is a function of the three variables: Expectancy, Instrumentality and Valence.

Figure 8: Variables in Expectancy Theory



Source: <https://wikispaces.psu.edu/download/attachments/41095599/Untitled.jpg?version=1&modificationDate=1284239801000>

These three variables form the key elements of the Expectancy Theory, which are examined below:

Vital to the understanding of the theory is that each of these three variables represents a belief. Following is a brief description about the key ingredients of the theory.

1. **Expectancy:** Expectancy refers to the strength of a person's belief about whether or not a particular job performance is attainable. Keeping other factors constant, an employee will be motivated to try harder, if he or she believes that the task in hand is doable. Multiple factors such as – skills required for the task, employee's confidence in his own capabilities, level of support from superiors and subordinates



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to perform the task, quality of materials and equipments, availability of relevant information, affect an employee's expectancy perceptions. Also, past success in the task is known to strengthen expectancy beliefs.

2. **Instrumentality:** Instrumentality is a probability belief linking one outcome, say, superior performance to another outcome, say, reward. In cases where the attainment of the second outcome i.e. the reward is certain on the attainment of the first outcome i.e. superior performance, instrumentality is said to be high.
3. **Valence:** Valence refers to the emotional orientations people hold with respect to the rewards. A positively valent reward is one which people prefer to have than not such as high pay, recognition, status and the like. Outcomes that employees seek to avoid such as fatigue, stress, noise, etc. are negatively valent. Valence can thus be referred to as the level of satisfaction that employees expect to get from reward. In other words, valence is the importance that employees place on the reward.

Vroom suggests that the above three variables interact in an employee's psyche to create a motivating force, that determines the level of effort an employee expends on his job. In other words, an employee's motivation to work is a multiplicative function of Expectancy, Instrumentality and Valence.

**Motivation: A Multiplicative Function Of EIV:**

$$M = E \times I \times V$$

Where, M is the motivation to work,

E is Expectancy

I is Instrumentality

V is Valence.

The theory argues that the intensity of effort that an individual expends on a job depends upon his expectation that the act will be followed by a certain outcome and on the attractiveness of such outcome to the individual. In other words, the Expectancy Theory says that employees will be motivated to expend greater effort when they believe that such effort will lead to good performance appraisal; that a good performance appraisal will lead to attractive organizational benefits such as higher pay, recognition, promotion, etc.; that these benefits will meet the employee's personal goals.

### The Expectancy Theory focuses on Three Relationships:

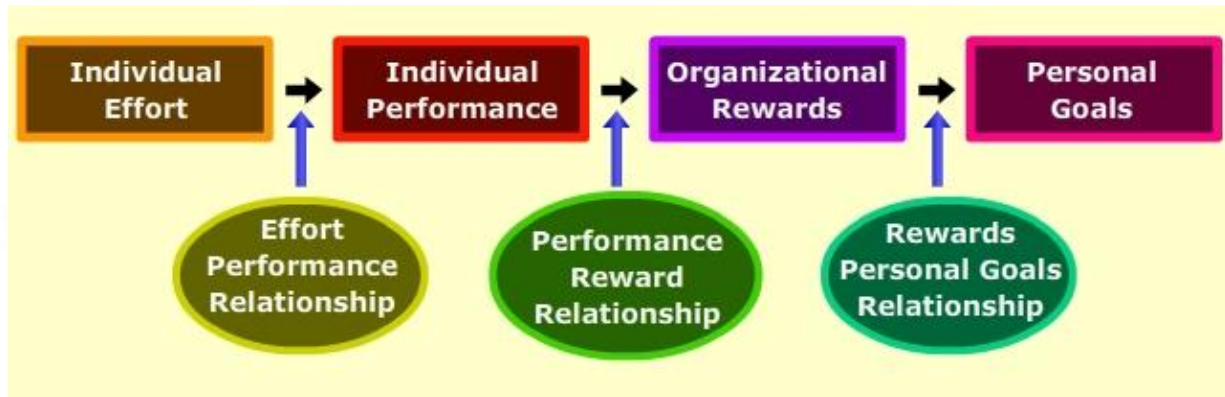
1. **Effort – Performance Relationship** (Expectancy): This relationship relates with an employee's perception that expending a certain amount of effort will lead to the desired performance.
2. **Performance – Reward Relationship** (Instrumentality): This relationship relates to the extent to which an individual believes that performing at a certain level will lead to attainment of desired organizations benefits or rewards such as high pay, promotion, recognition, etc.
3. **Rewards – Personal Goals Relationship** (Valence): This relationship relates to the degree to which organizational rewards meet the individual's personal goals.

The theory helps to explain why a lot of workers are not motivated on their jobs and consequently expend minimal effort towards it. The theory suggests that only when the above three relationships hold good, does an employee feel fully motivated towards his job.



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Figure 9: Expectancy Theory Model



The above figure explains that the individual effort is made by the employee based on the premise that there is a relationship between effort and performance, and that his/her effort will lead to an acceptable performance. The performance-reward relationship is perceived to hold true, and the individual expects that his/her performance will bring forth desired organizational rewards. The rewards received by the employee from the organization has a relationship with his/her personal goals that makes the employee value the organizational rewards.

## Organization Behavior Implications of the Expectancy Theory

1. Management must make sure at the time of assigning duties or tasks that the employees have the relevant skills and resources to carry out the task or else the task will act as a demotivator.
2. In order to ensure high levels of performance, management must link positive valence to superior performance and ensure effective communication of this link to the employees.
3. Employees choose to perform job at a level that they believe will maximize their overall best interest.

## The Expectancy Theory has the following advantages:

1. It helps to explain why people in an organization shirk responsibility.
2. It suggests how such people can be motivated.

## Despite its merits, the theory is criticized on certain grounds:

1. Its applicability is under cloud as it is not always possible to identify and quantify the variables that constitute the three significant relationships.
2. By showing high correlation between performance and rewards, the theory tends to be idealistic.

### Value Addition11: Video

#### Expectancy Theory

Click on the link below to watch a video on expectancy theory that describes why people in organizations behave in certain ways as against the others.

# Motivation

Source: <http://www.youtube.com/watch?v=Wm5ypcltyvI>

After reviewing all the theories, it may be concluded that no one theory is best for all situations and no one situation warrants the use of a particular theory at all points of time. The theories discussed above are not in competition with one another. Just because one theory is valid in a particular situation does not necessarily invalidate the rest. Successful managers are known to have made the best use of capitalizing on the complementarities between the theories discussed above.

## Summary:

- Motivation is the condition of being motivated. It is the process of inducing people to act in the desired manner. Motivation is the drive that propels people into action and continues them in action.
- Contemporary theories reflect current thinking on motivation. These theories are well supported by research. Some of these theories are- Cognitive Evaluation Theory, Goal Setting Theory, Self Efficacy Theory, Reinforcement Theory, Equity Theory and Expectancy Theory.
- The Cognitive Evaluation Theory purports that the introduction of extrinsic rewards, such as, pay, for work effort that was earlier intrinsically gratifying due to satisfaction and pleasure associated with the work itself, tends to decrease overall motivation.
- According to the Goal Setting Theory, specific and challenging goal, with an inbuilt feedback mechanism, that can track deviations and bring the employee back on the right track, leads to high performance.
- The Self Efficacy Theory purports that higher an individual's self efficacy, the more confident he is in his ability to succeed in the task at hand.
- According to the Reinforcement theory, consequences that immediately follow behavior increase the probability of that behavior being repeated.
- As per the Equity Theory, equity plays a major role in motivation. Employees generally make comparisons of their job inputs and outcomes relative to those of relevant others.
- According to the Expectancy Theory, the effort that an employee expends on a particular job is the consequence of his level of motivation, which in turn is a function of the three variables: Expectancy, Instrumentality and Valence.

## Exercise:

### A. Objective Type Questions:

1. Which of the following gives a chance to supervisors to keep the employees motivated by clarifying goal requirements and adjusting the goal difficulty level in case it is too easy or too hard for them?
  - a) Goal clarity
  - b) Feedback
  - c) Commitment
  - d) Goal challenge
2. Identify the force that can increase the probability of a behavior to be repeated.
  - a) Goals
  - b) Motivators

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- c) Extrinsic factors
- d) Reinforcers
3. Identify the relationship that relates to the extent to which an individual believes that performing at a certain level will lead to attainment of desired benefits or rewards such as high pay, promotion, recognition, etc.
  - a) Effort – performance relationship
  - b) Performance – reward relationship
  - c) Rewards – personal goals relationship
  - d) None of the above
4. Which of the following means an individual's belief in his capabilities in performing a task?
  - a) Self – Efficacy
  - b) Reinforcement
  - c) Participative decision making
  - d) Self-confidence
5. Which of the following refers to the strength of a person's belief about whether or not a particular job performance is attainable?
  - a) Valence
  - b) Expectancy
  - c) Instrumentality
6. Match the following theories with their propounders:

Motivation theories	Propounders
1.Goal Setting Theory	a. Edwin Locke
2.Self – Efficacy Theory	b. Douglas McGregor
3.Expectancy Theory	c. Stacy Adam
4.Theory X Theory Y	d. Albert Bandura
5.Equity Theory	e. Victor Vroom

### B. Short Questions:

1. Goal Setting Theory cannot be taken as a universal truth. Elucidate.
2. What does the Self Concordance theory suggest?
3. What is Valence as per the Vroom's Theory? How does it affect employee motivation?
4. Discuss the key elements of the Expectancy Theory.
5. Write a note on the Equity theory.
6. What are reinforcers? How can reinforcers control employee behavior?
7. What are the OB implications of the Self Efficacy Theory?

### C. Long Questions:

8. Explain the Cognitive Evaluation theory and discuss its acceptability. Can it be applied equally to employees at all levels?
9. Self Efficacy Theory compliments the Goal Setting Theory. Explain.
10. Explain the Goal Setting Theory. What are the five principles that should be kept in mind while setting goals such that act as motivators?
11. What are the OB implications of the Expectancy Theory?
12. Unlike other motivation theories, the Expectancy theory is based on outcome. Elaborate.
13. "Equity plays a major role in motivation." Explain with an example.
14. Explain the relevance to the contemporary theories of motivation.

### Answers to objective type questions:



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1- b);            2-d);            3-b);            4-a);            5-b).  
6. 1-a);            2- d);            3-e);            4-b);            5-c).

### Glossary:

- **Amotivation:** It refers to the lack of intent to act.
- **Feedback:** The process in which part of the output of a system is returned to its input in order to regulate its further output,
- **PLOC:** Perceived locus of control is the full form of the term, which refers to the perception of an individual with regard to the cause of his outcome or achievement. The theory of Locus of control is used in personality psychology. The individual can attribute the cause of his success to his own efforts or some external factor like luck etc.
- **Proffers:** It refers to making an offer for acceptance. It can also be explained as an act of holding out something for someone to accept.
- **Reinforcers:** Reinforcers are consequences, immediately following behavior that increases the probability of that behavior being repeated.

### References:

#### 1. Work cited:

- [http://edutechwiki.unige.ch/en/Self-efficacy\\_theory](http://edutechwiki.unige.ch/en/Self-efficacy_theory)

#### 2. Web Links:

- <https://sites.google.com/site/motivationataglanceischool/cognitive-evaluation-theory> (use of terms competence and Autonomy)cognitive evaluation theory by (Deci & Ryan, 1980)
- [http://en.wikipedia.org/wiki/Cognitive\\_evaluation\\_theory](http://en.wikipedia.org/wiki/Cognitive_evaluation_theory)
- <http://www.nadasisland.com/motivation/>
- <https://wikispaces.psu.edu/display/PSYCH484/7.+Self-Efficacy+and+Social+Cognitive+Theories>
- Visit the link [http://www.slideshare.net/Manisha\\_D\\_Vaghela13/vrooms-expectancy-theory-of-motivation](http://www.slideshare.net/Manisha_D_Vaghela13/vrooms-expectancy-theory-of-motivation) to view a presentation on Expectancy Theory of Motivation.
- <http://www.uiowa.edu/~c07p075a/class1/Classhandouts/cetpropositions.htm>
- Visit the link <https://wikispaces.psu.edu/display/PSYCH484/4.+Expectancy+Theory> to see an image on Expectancy Theory.