Leadership and Motivation

OUTLINE

- Motivation
- Maslow's Hierarchy Needs
- Theory of X and Y
- Motivation and Hygiene Factors
- Goal Setting Theory
- Reinforcement Theory
- Equity Theory
- Expectancy Theory

What is Motivation?

- **'Motive' - needs, desires, wants or drives** within individuals
- It is the process of **stimulating people to actions** to accomplish the goals

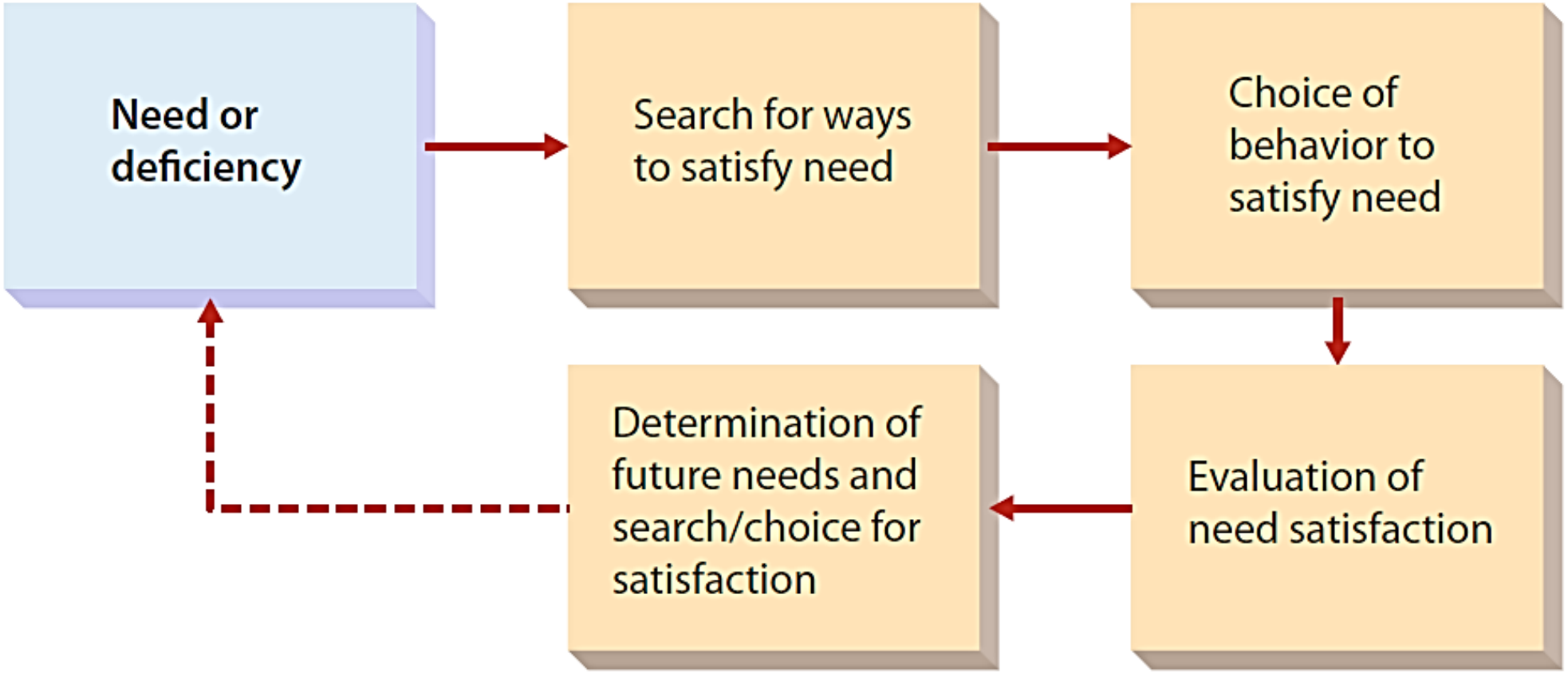
Motive	Motivating	Motivation
Need in Individual	Setting up upper stimuli in the environment to activate the motives in Individual	Engagement of Individual in desired work behaviour

- Managers motivate their subordinates to do things that **satisfy drives and desires** and persuade them to act in a desired manner

What is Motivation?

- Motivation is the set of forces that cause people to behave in certain ways.
- On any given day, an employee may **choose to work as hard as possible** at a job, work **just hard enough to avoid a reprimand**, or do **as little as possible**.
- Individual performance is generally determined by three things:
  - **Motivation** – *the desire to do the job*
  - **Ability** – *the capability to do the job*
  - **The work environment** – *the resources needed to do the job*

The Motivation Framework



Motivation

Two major influences that affect how individuals perform in their environment:

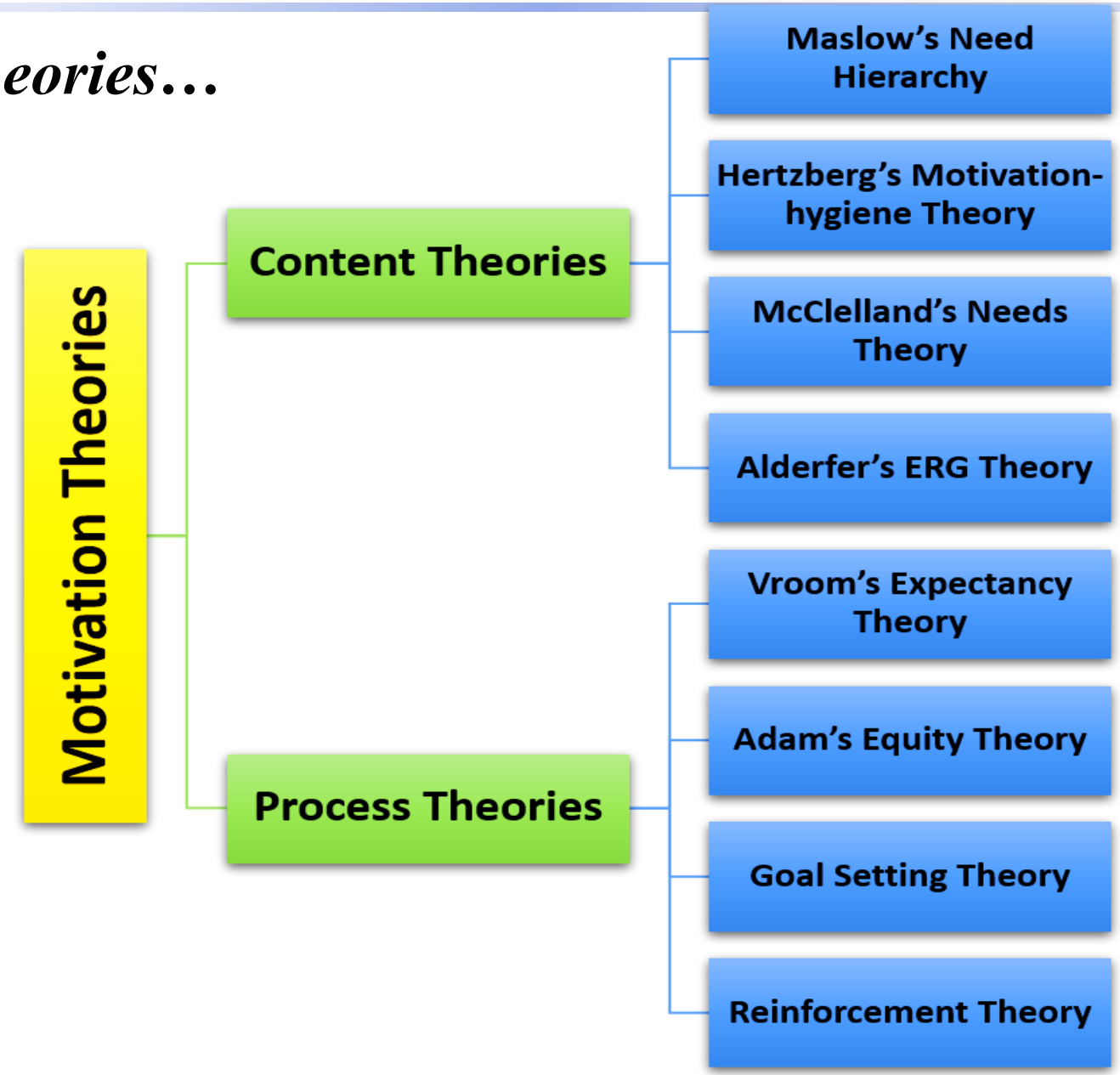
- The type of **leadership** that exists
- Personal **motivation**

Motivation

- ***Extrinsic Motivation*** - People may be motivated by factors in the external environment such as pay, benefits, and job perks

- ***Intrinsic Motivation -*** Motivated by the relationship between the worker and the task

Motivation Theories…



Content Perspective

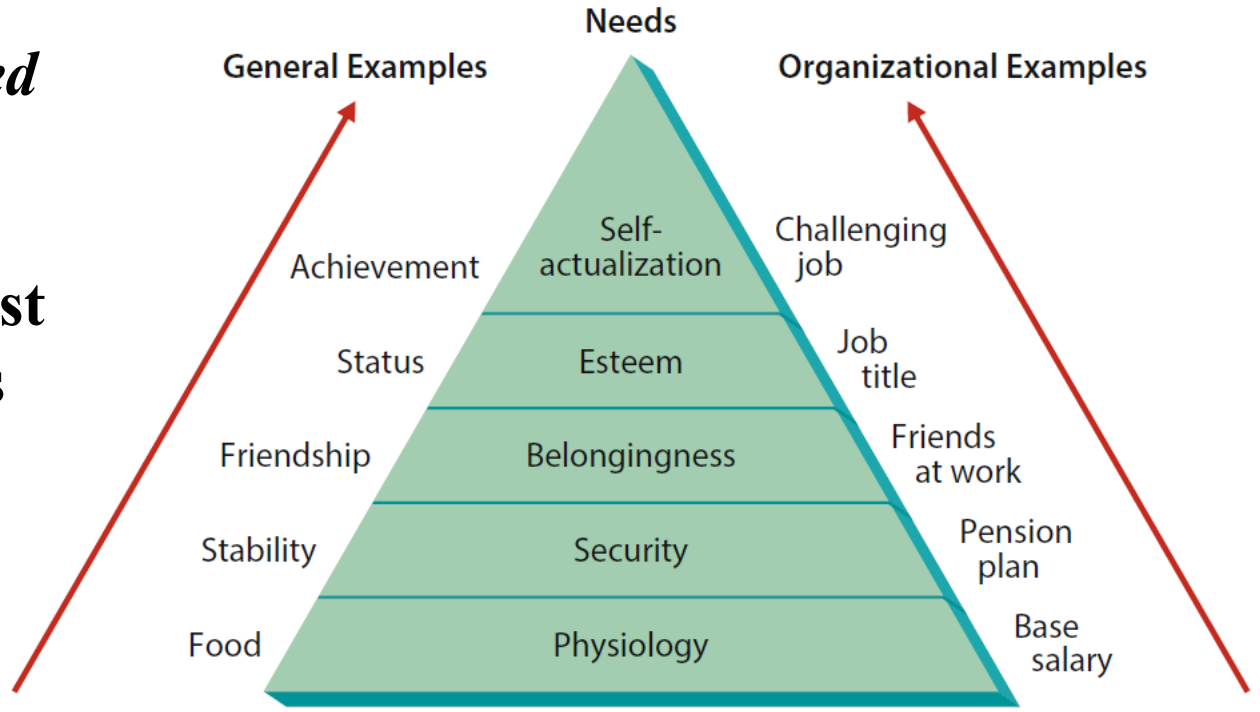
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The Needs Hierarchy Approach

Maslow's Hierarchy Needs

Proposed by **Abraham Maslow** in his 1943 paper 'A Theory of Human Motivation' in the journal Psychological Review

- Humans have five sets of ***needs arranged in a hierarchy***
- People start by trying to satisfy their **most basic or compelling needs** and progress toward the most fulfilling

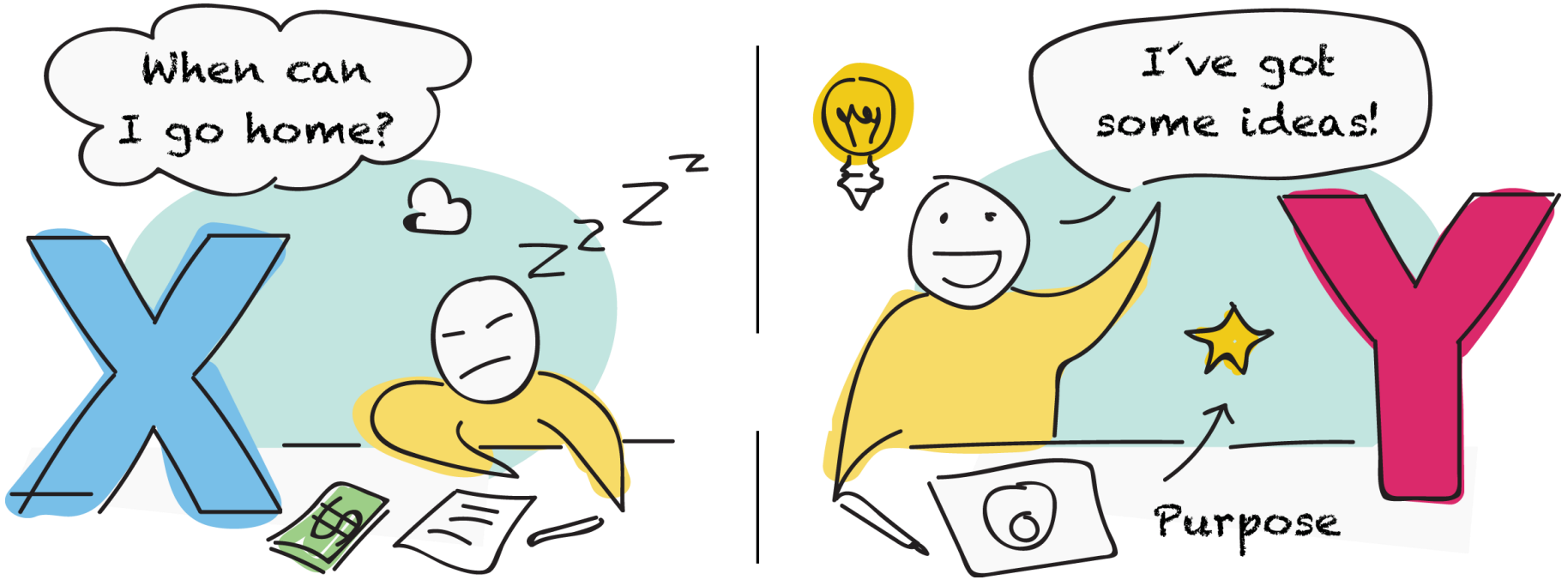


Maslow's Hierarchy Needs

Disagreements…

- Two needs basically; Biological and other needs
- At higher levels of strengths, needs varies with individuals
- Study showed no strong evidence of *Hierarchy* amongst managers

Theory X and Y



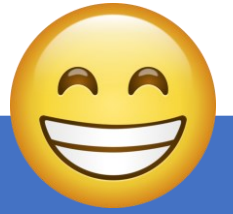
In 1960, **Douglas McGregor** formulated Theory X and Theory Y suggesting two aspects of human behaviour at work

Theory of X and Y

Assumptions in Theory X vs. Theory Y



Theory X	Theory Y
People need close supervision	People want independence at work
Will avoid work when possible	People seek responsibility
Will avoid responsibility	People are motivated by self-fulfilment
They desire only money	People naturally want to work
They must be pushed to perform	People will drive themselves to perform

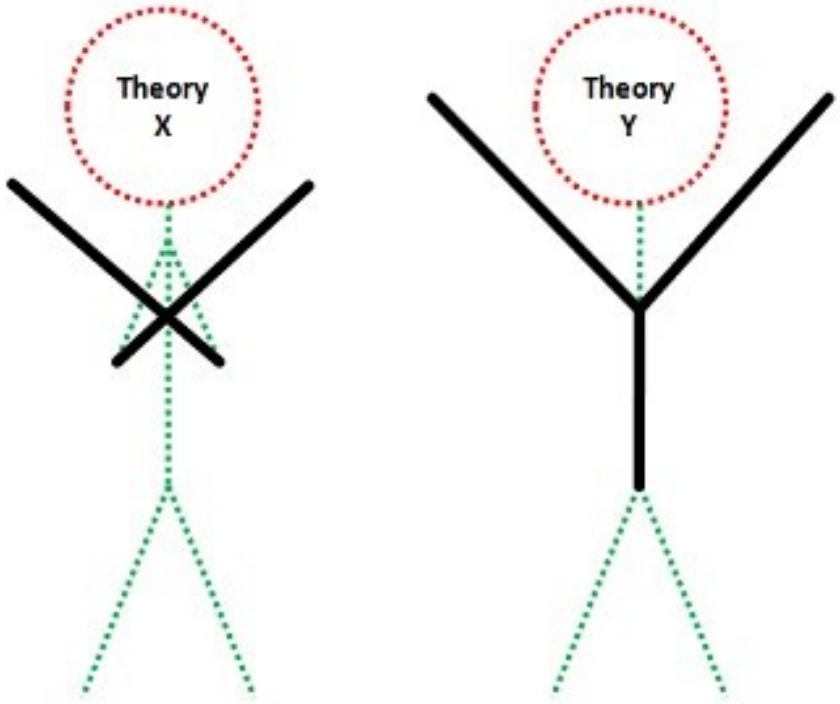


Theory of X and Y

- ***Negative*** behaviour called as 'Theory X' and the other is ***Positive***, so called as 'Theory Y'

- Theory X gives importance to supervision.

- Theory Y stresses on rewards and recognition



Theory of X and Y

- **These are assumptions only**
- Variety of task and situations requires different approaches
- No **HARD** or **SOFT** management
- Risk of Hard and Soft approach remains

As an effective manager one has to recognise the dignity and limitations of people and adjust behaviour as the situation demand

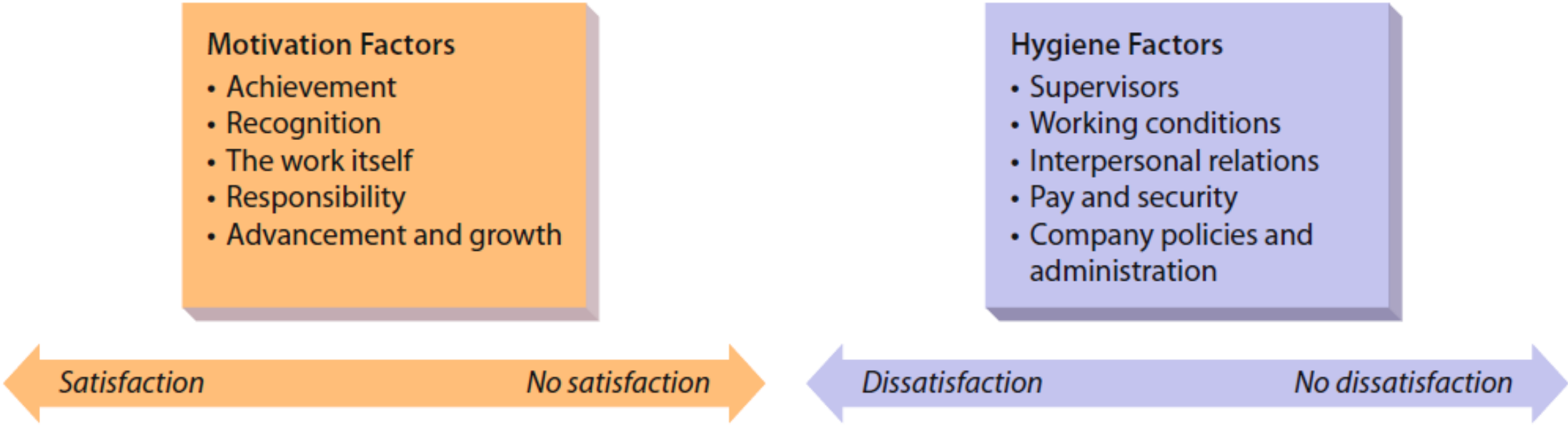
The Two Factor Theory – Motivation & Hygiene Factors

Psychologist **Fredrick Herzberg** in the 1950s and 60s proposed ***dual structures*** of theory of motivation



The Two Factor Theory – Motivation & Hygiene Factors

*Job Satisfaction has two dimensions namely **Motivation Factors** and **Hygiene Factors***



- Managers must ensure that Hygiene factors are not deficient
- By setting **Hygiene factors at certain level** managers need to stimulate the Motivation

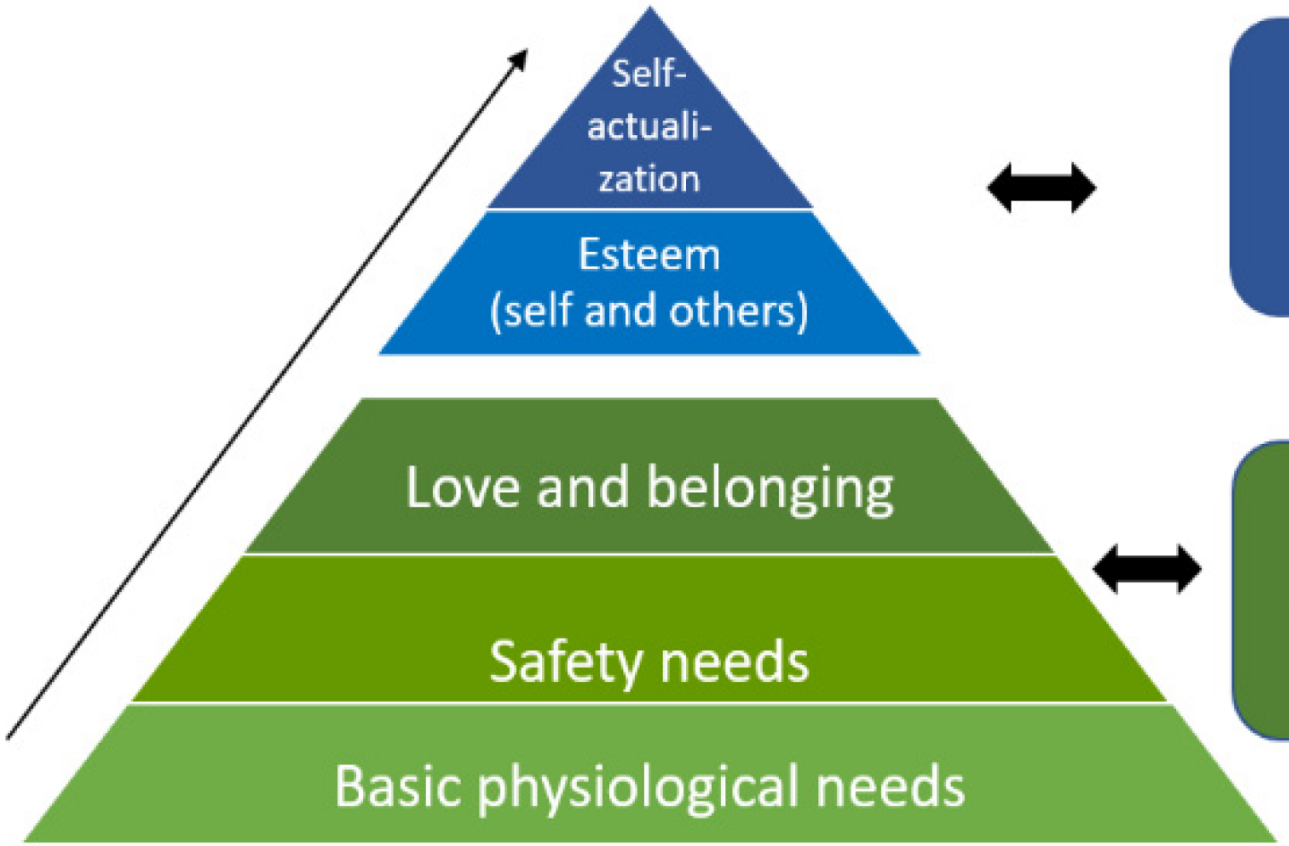
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The Two Factor Theory – Motivation & Hygiene Factors



Maslow Vs. Herzberg

Maslow´s Hierarchy of Needs



Herzberg´s Two Factors

Motivating Factors

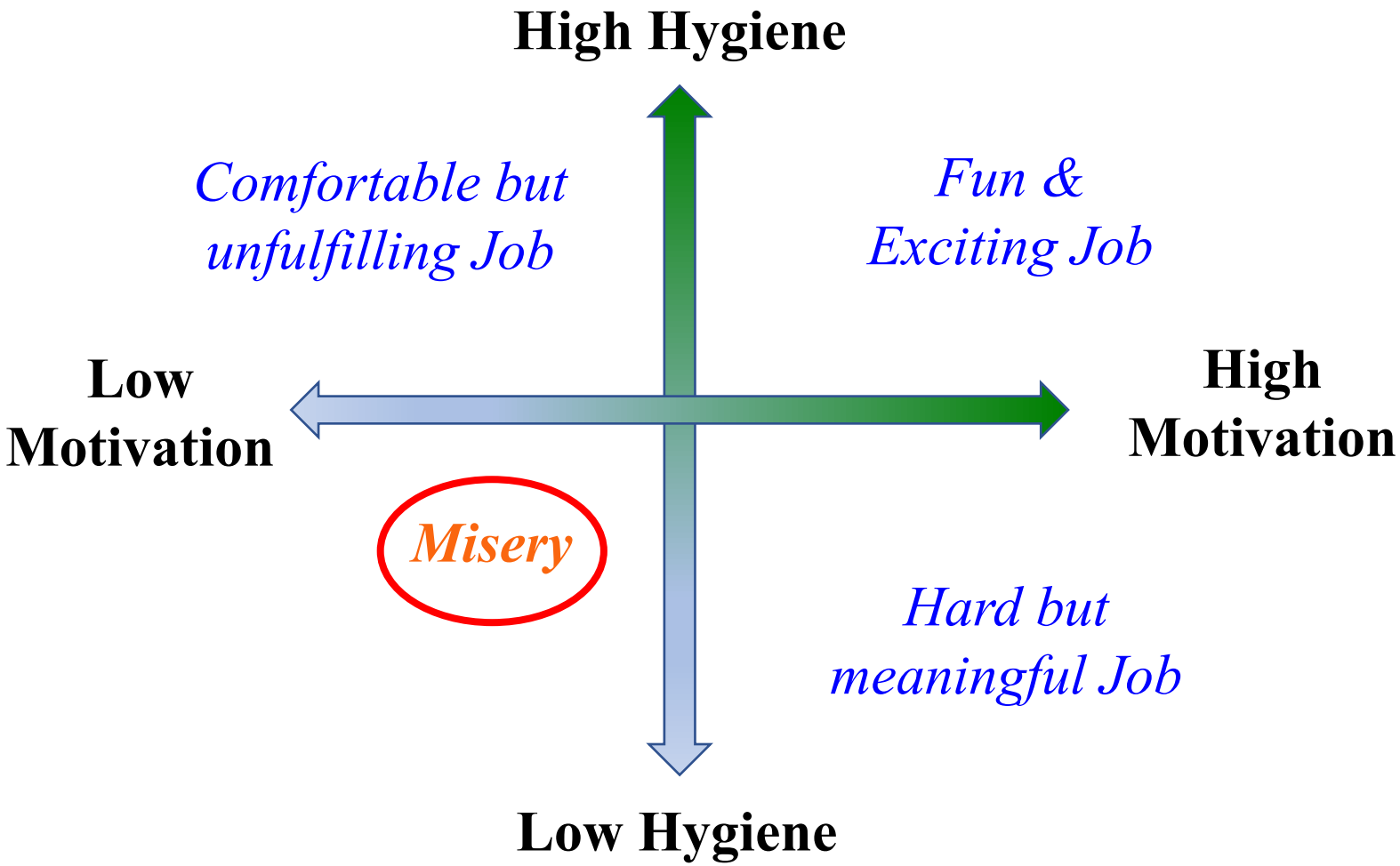
- Feeling of achievement
- Recognition
- Higher responsability
- Challenging work
- Advancement and growth
- Meaningful work

Hygiene Factors

- Salary and benefits
- Interpersonal relations
- Working conditions
- Job security
- Supervision
- Company policy

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Motivation and Hygiene Factors



Limitations of Herzberg's Two-Factor Theory

- The theory overlooks situational variables
- Herzberg stressed upon satisfaction and ignored productivity
- No comprehensive measure of satisfaction was used. An employee may find his job acceptable though he/she may hate/object part of his job
- The theory ignores blue-collar workers

Despite these limitations, Herzberg's Two-Factor theory is acceptable broadly

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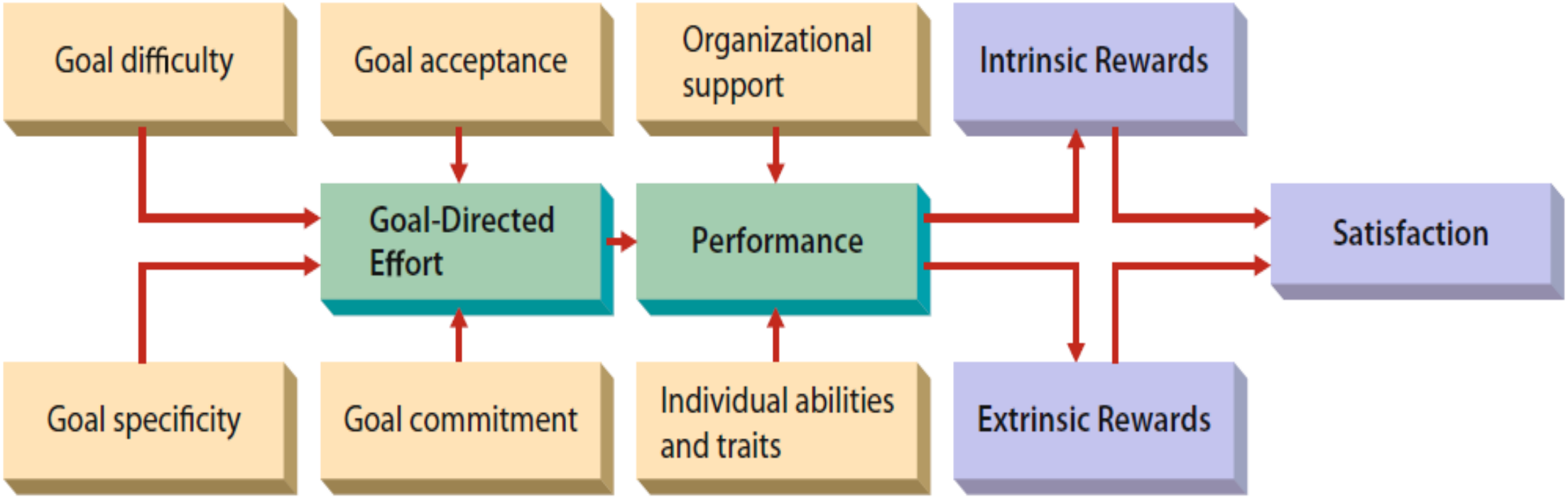
Process Perspective

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Goal Setting Theory

- Edwin A. Locke developed this theory in 1968 in his article, *"Toward a Theory of Task Motivation and Incentive*"
- The theory assumes that **behaviour is a result of conscious goals and intentions**
- Employees are more **motivated by well-defined goals and constructive feedback** and are more likely to accomplish these goals when they are specific and measurable

Goal Setting Theory



Goal Setting Theory

There are five main principles of setting effective goals:



1. COMMITMENT
Attachment to goal

2. CLARITY
Specificity of goal

3. CHALLENGE
Degree of goal's difficulty

4. COMPLEXITY
Degree of goal's demands

5. FEEDBACK
Presence of progress reporting

Source: Locke & Latham, 1990

Goal Setting Theory

There are five main principles of setting effective goals:

1. **Clarity:** Goals must be clear and specific

2. **Challenge:** Sufficiently challenging goals to keep employees engaged and focused

3. **Commitment:** Without committed to the goal, they are less likely to enjoy the process and ultimately achieve the goal

4. **Feedback:** Regular feedback to ensure tasks stay on track to reach the goal.

5. **Task complexity:** Goals should be broken down into smaller goals. Once each smaller goal is reached, a review should be performed to update progress towards the larger goal.

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Reinforcement Theory

Reinforcement theory of motivation was proposed by **BF Skinner,** American psychologist, behaviorist, author and his associates In 1957

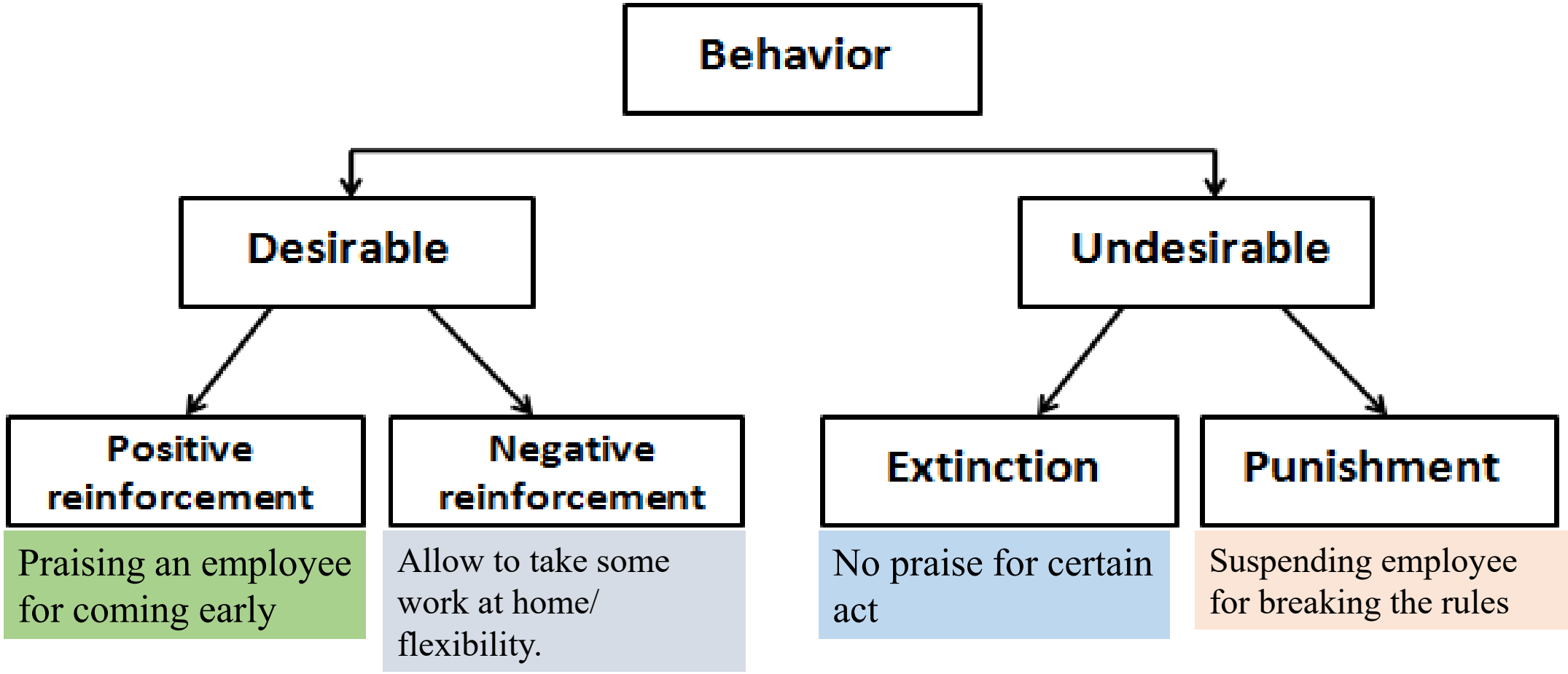
The Reinforcement theory argues that ***behaviour that results in rewarding consequences is likely to be repeated****, whereas behaviour that results in* ***punishing consequence is less likely to be repeated***

Reinforcement Theory -Methods for Controlling the Behaviour

- **Positive Reinforcement**- A positive response when an individual shows required behaviour. *Praising an employee for coming early for job will increase probability*
- **Negative Reinforcement**- Rewards by removing negative/ undesirable consequences. If someone from your team wraps up early because of a long commute back home, you can ask them to take some projects home and allow them some flexibility.
- **Punishment-** Removing positive consequences to lower the probability of undesirable behaviour in future. *Suspending an employee for breaking the organizational rules*
- **Extinction-** Absence of reinforcements. It implies lowering the probability of undesired behaviour by removing reward for that kind of behaviour. *An employee no longer receives praise and admiration for certain act*

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Reinforcement Theory



Equity Theory of Motivation

The Equity theory was first developed in the **1960s by J. Stacy Adams**

- It suggests that an individual's **motivation level is correlated to his perception of equity**, fairness and justice practiced by the management
- Higher the **individual's perception of fairness**, greater the motivation level

Equity Theory

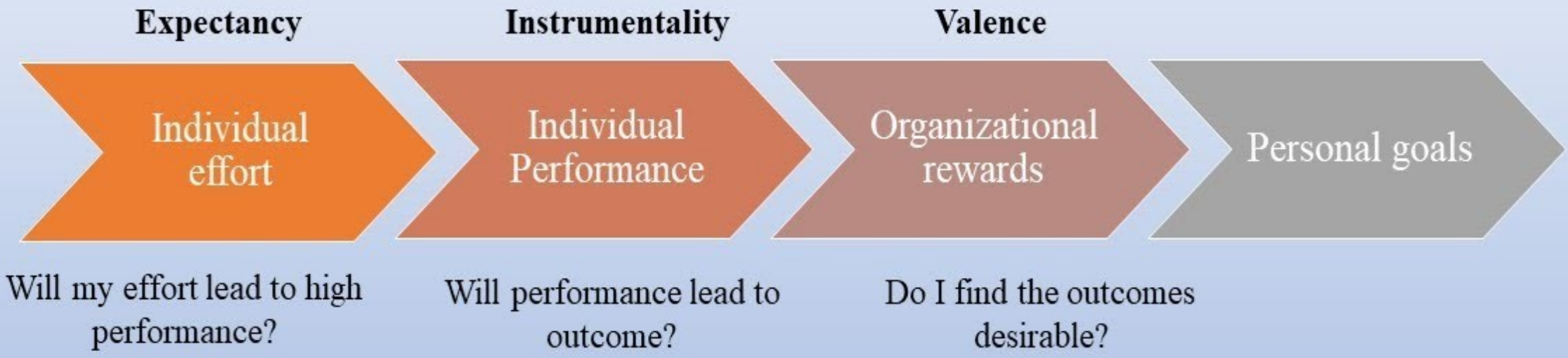
Employee compares the job **input (contribution)** to **outcome (compensation)** and compares the same with that of another peer of equal cadre/ category

Ratio Comparison	Perception
O/I a < O/I b	Under-rewarded (Equity Tension)
O/I a = O/I b	Equity
O/I a > O/I b	Over-rewarded (Equity Tension)

Expectancy Theory

- Proposed by **Victor Vroom** of Yale School of Management in 1964
- Vroom stresses on **outcomes, and not on needs,** unlike Maslow and Herzberg
- The theory states, “the **intensity of a tendency** to perform in a particular manner, is dependent on the **intensity of an expectation** that ***the performance will be followed by a definite outcome*** and on the appeal of the outcome to the individual”

Vroom's Expectancy Theory of Motivation



This leads to three kinds of relationships

a) Effort performance relationship

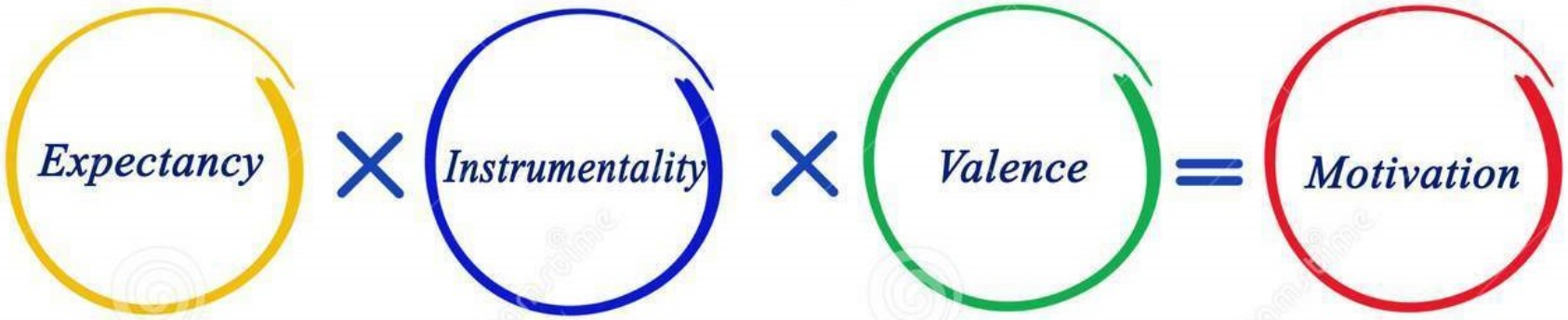
b) Performance reward relationship

c) Reward personal goal relationship

Expectancy Theory

The elements of the expectancy theory are:

- **Expectancy** - Believe that high levels of effort lead to the desired outcomes/ performance
- **Instrumentality** - To what degree is the level of performance related to the reward received? *The reward is measured and tied to the level of performance*
- **Valence** - What is the value of the rewards that result from the performance? Understand what type of reward employee values



Expectancy Theory



The theory is criticized for being too idealistic - assuming individuals are rational actors making positive decisions concerning the rewards received from their efforts

Questions