Foundations of Employee Motivation

EXCELLENCE. SIMPLY DELIVERED.

As a lead courier at DHL Express in Liberia, Africa, James Davies begins work by 6 am, sorts out his deliveries, and ensures his coworkers' packages are ready to go. Then, he cheerfully heads out on his route, providing some of the best customer service in Monrovia, Liberia's capital city. "James Davies has an incredible energy, and his passion for the job after 14 years is unbelievable," enthuses DHL Liberia's country manager. "I have never had any staff getting more positive comments from various clients than James Davies."

DHL Express, the global courier division of Germany's Deutsche Post, has been building a workforce of highly engaged employees such as James Davies. "Motivated and engaged employees are crucial to the success of any business and, at DHL, they form the cornerstone of our service," explains Sumesh Rahavendra, the head of marketing at DHL Express sub-Saharan Africa. "Our people make a difference in the service we provide, therefore impacting on customer loyalty and, by extension, our profitability."

DHL's employee engagement strategy begins with its award-winning Certified International Specialist (CIS) program. All of the company's 100,000 employees in 220 countries have completed the CIS foundation course, which teaches the fundamentals of international shipping as well as DHL's business strategy and its four core values. The CIS program demonstrates the company's investment in its people and helps employees to see the importance of their role in the company's complex operations. "CIS is not a traditional training platform," says DHL CEO Ken Allen. "It was designed first and foremost as an engagement tool."

DHL Express also motivates its management staff through rigorous goal setting and feedback. The company was an early adopter of the balanced scorecard process, which measures dozens of performance indicators across the organization, such as the percentage of packages delivered on time and how long it takes a call center employee to answer an incoming call.

Along with these quantitative performance targets, DHL motivates staff through personal recognition and appreciation. For instance, the company's recent Africa-wide employee appreciation week celebrated thousands of employees for their long service as well as special efforts beyond the call of duty. James Davies and other top performers were awarded a trip to a luxury resort near Victoria Falls, Zambia. DHL Kenya's managing director thanked couriers by serving them breakfast and providing assistance on their routes that week. In other countries, DHL hosted picnics for employees and their families.

DHL Express relies on employee engagement and motivation to provide efficient and friendly customer service.

123

"For me, this initiative has reinforced the importance of employee recognition and motivation," says Adelaide Ngayo, head of DHL Express' Customer Service department in Chad. "It's given our team the drive to move from 'good to great', and has really motivated us."[1]

DHL Express has developed a highly engaged workforce through recognition, goal setting, feedback, and human capital investment. The company also involves employees, encourages innovative thinking, and creates a positive work environment. These practices generate high levels of employee motivation. **Motivation** refers to the forces within a person that affect the direction, intensity, and persistence of voluntary behavior.[2] Motivated employees are willing to exert a particular level of effort (intensity), for a certain amount of time (persistence), toward a particular goal (direction). Motivation is one of the four essential drivers of individual behavior and performance (see Chapter 2).

This chapter introduces the core theories of employee motivation. We begin by discussing employee engagement, an increasingly popular concept associated with motivation. Next, we explain how drives and emotions are the prime movers of employee motivation. Three theories that focus on drives and needs—Maslow's needs hierarchy, McClelland's learned needs theory, and four-drive theory—are introduced and evaluated. Next, we turn our attention to the popular rational decision model of employee motivation: expectancy theory. Organizational behavior modification and social cognitive theory are then introduced, which relate to learning the expectancies that motivate employees through the expectancy theory model. Next, we look at goal setting and feedback, which are considered the most robust and useful motivational concepts and practices in organizations. This chapter closes with the topic of motivation through organizational justice, including the elements and dynamics of equity theory and procedural justice.

Employee Engagement

LO 5-1

When executives discuss employee motivation these days, they are just as likely to use the phrase **employee engagement**. Although its definition is still being debated,[3] we cautiously define employee engagement as an individual's emotional and cognitive (logical) motivation, particularly a focused, intense, persistent, and purposive effort toward work-related goals. It is typically described as an emotional involvement in, commitment to, and satisfaction with work. Employee engagement also includes a high level of absorption in the work—the experience of focusing intensely on the task with limited awareness of events beyond that work. Finally, employee engagement is often described in terms of self-efficacy—the belief that you have the ability, role clarity, and resources to get the job done (see Chapter 3).

Employee engagement is on the minds of many business leaders these days because it seems to be a strong predictor of employee and work unit performance. A major report for the British government concluded that employee engagement is so important to the country's international competitiveness that the government should urgently raise awareness of and support for employee engagement practices throughout all sectors of the economy.[4] Standard Chartered Bank found that branches with higher employee engagement provide significantly higher customer service quality, have 46 percent lower employee turnover, and produce 16 percent higher profit margin growth than branches with lower employee engagement. Electronics retailer Best Buy reports that a 0.1 increase (on a 5.0 point scale) in a store's employee engagement score is associated with a $100,000 increase in that store's profitability for the year. It isn't always clear from these studies whether employee engagement makes companies more successful, or whether the company's success makes employees more engaged. However, these interventions at Best Buy, Standard Chartered, and other companies suggest that employee engagement causes the company outcomes more than vice versa.

motivation
The forces within a person that affect his or her direction, intensity, and persistence of voluntary behavior.

employee engagement
Individual emotional and cognitive motivation, particularly a focused, intense, persistent, and purposive effort toward work-related goals.

How do you build a successful company? John DeLano, who recently stepped down after a decade as CEO of Flexigroup, recommends an unrelenting drive to improve employee engagement. Employee engagement scores at Flexirent Capital, the Australian company's consumer leasing division, increased from a lowly 31 percent a decade ago to around 75 percent today, catapulting it onto the best employer list in that country. Over the same period, Flexirent's profitability has increased by 900 percent. "We could never have achieved the results we have without having an engaged workforce," said DeLano. "It is no coincidence that our growth began to accelerate on a continuous basis only since we made a concerted effort to improve our employee engagement."[5]

The challenge facing organizational leaders is that most employees aren't very engaged.[6] The numbers vary, but one representative survey estimates that only 30 percent of employees in the United States are engaged, 52 percent are not engaged, and 18 percent are actively disengaged. Actively disengaged employees tend to be disruptive at work, not just disconnected from work.[7] Employees in several Asian countries (notably Japan, China, and South Korea) and a few European countries (notably Italy, the Netherlands, and France) have the lowest levels of employee engagement, whereas the highest scores are usually found in the United States, Brazil, and India.

This leads to the question: What are the drivers of employee engagement? Goal setting, employee involvement, organizational justice, organizational comprehension (knowing what's going on in the company), employee development opportunities, sufficient resources, and an appealing company vision are some of the more commonly mentioned influences.[8] In other words, building an engaged workforce calls on most topics in this book, such as the MARS model (Chapter 2), building affective commitment (Chapter 4), motivation practices (Chapter 5), and leadership (Chapter 12).

drives
Hardwired characteristics of the brain that correct deficiencies or maintain an internal equilibrium by producing emotions to energize individuals.

Employee Drives and Needs

LO 5-2

To figure out how to nurture a more engaged and motivated workforce, we first need to understand the motivational "forces" or prime movers of employee behavior.[9] Our starting point is **drives** (also called *primary needs*), which we define as hardwired characteristics of

EXHIBIT 5.1

Drives, Needs, and Behavior

the brain that attempt to keep us in balance by correcting deficiencies. Drives accomplish this task by producing emotions that energize us to act on our environment.[10] Drives are receiving increasing attention because recent neuroscience (brain) research has highlighted the central role of emotions in human decisions and behavior. There is no agreed upon list of human drives, but research has consistently identified several, such as the drive for social interaction, for competence or status, to know what's going on around us, and to defend ourselves against physiological and psychological harm.[11]

Drives are innate and universal, which means that everyone has them and they exist from birth. Furthermore, drives are the "prime movers" of behavior because they generate emotions, which put people in a state of readiness to act on their environment. Emotions play a central role in motivation.[12] In fact, both words *(emotion* and *motivation)* originate from the same Latin word, *movere,* which means "to move."

Exhibit 5.1 illustrates how drives and emotions translate into felt needs and behavior. Drives, and the emotions produced by these drives, produce human needs. We define **needs** as goal-directed forces that people experience. They are the motivational forces of emotions channeled toward particular goals to correct deficiencies or imbalances. As one leading neuroscientist explains: "Drives express themselves directly in background emotions and we eventually become aware of their existence by means of background feelings."[13] In other words, needs are the emotions we eventually become consciously aware of.

Consider the following example: You arrive at work to discover a stranger sitting at your desk. Seeing this situation produces emotions (worry, curiosity) that motivate you to act. These emotions are generated from drives, such as the drive to defend and the drive to comprehend. When strong enough, these emotions motivate you to do something about this situation, such as finding out who that person is and possibly seeking reassurance from coworkers that your job is still safe. In this case, you have a need to know what is going on, to feel secure, and possibly to correct a sense of personal violation. Notice that your emotional reactions to seeing the stranger sitting at your desk represent the forces that move you, but you channel those emotions toward specific goals.

INDIVIDUAL DIFFERENCES IN NEEDS

Everyone has the same drives; they are hard-wired in us through evolution. However, people develop different intensities of needs in a particular situation. Exhibit 5.1 explains why this difference occurs. The left side of the model shows that the individual's self-concept (as well as personality and values), social norms, and past experience amplify or suppress drive-based emotions, thereby resulting in stronger or weaker needs.[14] People who define themselves as very sociable typically experience a stronger need for social interaction if alone for a while, whereas people who view themselves as less sociable would experience a less intense need to be with others over that time. These individual differences also explain why needs can be "learned" to some extent. Socialization and reinforcement may cause people to alter their self-concept somewhat, resulting in a stronger or weaker need for social interaction, achievement, and so on. We will discuss learned needs later in this chapter.

needs
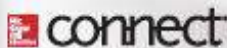Goal-directed forces that people experience.

Self-concept, social norms, and past experience also regulate a person's motivated decisions and behavior, as the right side of Exhibit 5.1 illustrates. Consider the earlier example of the stranger sitting at your desk. You probably wouldn't walk up to the person and demand that he or she leave; such blunt behavior is contrary to social norms in most cultures.

Employees who view themselves as forthright might approach the stranger directly, whereas those who have a different self-concept or have had negative experiences with direct confrontation are more likely to first gather information from coworkers before approaching the intruder. In short, your drives (drive to comprehend, to defend, to bond, etc.) and resulting emotions energize you to act, and your self-concept, social norms, and past experience direct that energy into goal-directed behavior.

Exhibit 5.1 provides a useful template for understanding how drives and emotions are the prime sources of employee motivation and how individual characteristics (self-concept, experience, values) influence goal-directed behavior. You will see pieces of this theory when we discuss four-drive theory, expectancy theory, equity theory, and other concepts in this chapter. The remainder of this section describes theories that try to explain the dynamics of drives and needs.

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To what extent do you value motivating jobs? Visit **connect.mcgrawhill. com** to assess your growth need strength (self-actualization).

MASLOW'S NEEDS HIERARCHY THEORY

LO 5-3

By far, the most widely known theory of human motivation is **Maslow's needs hierarchy theory** (see Exhibit 5.2). Developed by psychologist Abraham Maslow in the 1940s, the model condenses and integrates the long list of drives and needs that had been previously studied into a hierarchy of five basic categories (from lowest to highest):[15] *physiological* (need for food, air, water, shelter, etc.), *safety* (need for security and stability), *belongingness/love* (need for interaction with and affection from others), *esteem* (need for self-esteem and social esteem/status), and *self-actualization* (need for self-fulfillment, realization of one's potential). Along with developing these five categories, Maslow identified the desire to know and the desire for aesthetic beauty as two innate drives that do not fit within the hierarchy. Maslow suggested that we are motivated simultaneously by several primary needs (drives), but the strongest source of motivation is the lowest unsatisfied need at the time. As the person satisfies a lower-level need, the next higher need in the hierarchy becomes the primary motivator and remains so even if never satisfied.

Maslow's needs hierarchy theory

A motivation theory of needs arranged in a hierarchy, whereby people are motivated to fulfill a higher need as a lower one becomes gratified.
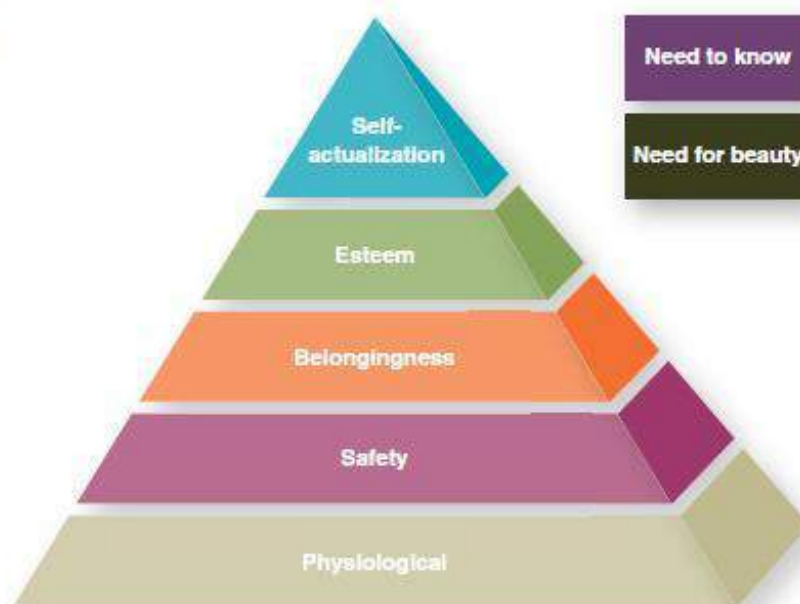
EXHIBIT 5.2

Maslow's Needs Hierarchy

Source: Based on information in A. H. Maslow, "A Theory of Human Motivation," *Psychological Review* 50 (1943), pp. 370–396.

Limitations of Needs Hierarchy Models   In spite of its popularity, Maslow's needs hierarchy theory has been dismissed by most motivation experts.[16] Other needs hierarchy models have also failed to adequately depict human motivation. Studies have concluded that people do not progress through the hierarchy as Maslow's theory predicts. Furthermore, evidence suggests that need fulfillment exists for a much shorter time than Maslow stated in his writing.

However, the main problem with Maslow's and other needs hierarchy models is that people don't fit into a one-size-fits-all needs hierarchy. Instead, these hierarchies vary from one person to the next. Some place social status at the top of their personal hierarchy; others view personal development and growth above social relations or status. Employee needs are strongly influenced by self-concept, personal values, and personality.[17] People have different hierarchies of values (their values system; see Chapter 2), so they also have parallel differences in their needs hierarchies. If your most important values lean toward stimulation and self-direction, you probably pay more attention to self-actualization needs. If power and achievement are at the top of your value system, status needs will likely be at the top of your needs hierarchy. A person's values hierarchy can change over time, so his or her needs hierarchy also changes over time.[18]

Maslow's Contribution to Motivation   Although needs hierarchy theory has failed the reality test, Maslow deserves credit for bringing a more holistic, humanistic, and positive approach to the study of human motivation.[19]

- *Holistic perspective.* Maslow explained that the various needs should be studied together (holistically) because human behavior is typically initiated by more than one need at the same time. Previously, motivation experts had splintered needs or drives into dozens of categories, each studied in isolation.[20]

- *Humanistic perspective.* Maslow introduced the then-novel idea that higher-order needs are influenced by personal and social influences, not just instincts.[21] In other words, he was among the first to recognize that human thoughts (including self-concept, social norms, past experience) play a role in motivation. Previous motivation experts had focused almost entirely on human instincts without considering that motivation could be shaped by human thought.

- *Positive perspective.* Maslow popularized the concept of *self-actualization*, suggesting that people are naturally motivated to reach their potential and that organizations and societies need to be structured to help people continue and develop this motivation.[22] This positive view of motivation contrasted with the dominant position that needs become activated by deficiencies such as hunger. Indeed, Maslow is considered a pioneer in *positive organizational behavior*. Positive OB says that focusing on the positive rather than negative aspects of life will improve organizational success and individual well-being (see Chapter 3). In other words, this approach advocates building positive qualities and perspectives within individuals or institutions as opposed to focusing on trying to fix what might be wrong with them.[23]
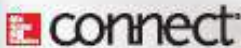
connect

How strong are your need for achievement and need for affiliation? Visit **connect.mcgrawhill.com** to estimate your need strength for these two needs.

LEARNED NEEDS THEORY

Earlier in this chapter, we stated that drives are innate, whereas needs are shaped, amplified, or suppressed through self-concept, social norms, and past experience. Maslow noted this when he wrote that individual characteristics influence the strength of higher-order needs, such as the need to belong. Psychologist David McClelland further investigated the idea that need strength can be altered through social influences. In particular, he recognized that a

Heineken USA had been losing market share, and incoming CEO Dolf van den Brink (left in photo) soon discovered one major reason: Heineken's staff needed more achievement motivation. To encourage more risk-oriented, entrepreneurial thinking, van den Brink held an all-employee pirate-themed event celebrating the company's new aggressive values, such as "Hunt as a pack" and "Do what it takes to win, but be responsible." "We need to be a nimble, humble, agile and an entrepreneurial company again," explains van den Brink. Another Heineken executive adds: "To have a challenger mindset, we needed to unleash everyone's inner pirate." Van den Brink is also a role model for high achievement motivation. He had spent the previous four years doubling Heineken's market share in the Democratic Republic of the Congo, in spite of militant uprisings. Heineken USA's market share has since increased, and employees say they are much more risk-oriented.[27]

person's needs can be strengthened through reinforcement, learning, and social conditions. McClelland examined three "learned" needs: achievement, power, and affiliation.[24]

Need for Achievement People with a strong **need for achievement (nAch)** want to accomplish reasonably challenging goals through their own effort. They prefer working alone rather than in teams, and they choose tasks with a moderate degree of risk (i.e., neither too easy nor impossible to complete). High-nAch people also desire unambiguous feedback and recognition for their success. Money is a weak motivator, except when it provides feedback and recognition.[25] In contrast, employees with a low nAch perform their work better when money is used as an incentive. Successful entrepreneurs tend to have a high nAch, possibly because they establish challenging goals for themselves and thrive on competition.[26]

Need for Affiliation **Need for affiliation (nAff)** refers to a desire to seek approval from others, conform to their wishes and expectations, and avoid conflict and confrontation. People with a strong nAff try to project a favorable image of themselves. They tend to actively support others and try to smooth out workplace conflicts. High nAff employees generally work well in coordinating roles to mediate conflicts and in sales positions where the main task is cultivating long-term relations. However, they tend to be less effective at allocating scarce resources and making other decisions that potentially generate conflict. People in decision-making positions must have a relatively low need for affiliation so their choices and actions are not biased by a personal need for approval.[28]

Need for Power People with a high **need for power (nPow)** want to exercise control over others and are concerned about maintaining their leadership position. They frequently rely on persuasive communication, make more suggestions in meetings, and tend to publicly evaluate situations more frequently. McClelland pointed out that there are two types of nPow. Individuals who enjoy their power for its own sake, use it to advance personal interests, and

need for achievement (nAch)
A learned need in which people want to accomplish reasonably challenging goals and desire unambiguous feedback and recognition for their success.

need for affiliation (nAff)
A learned need in which people seek approval from others, conform to their wishes and expectations, and avoid conflict and confrontation.

need for power (nPow)
A learned need in which people want to control their environment, including people and material resources, to benefit either themselves (personalized power) or others (socialized power).

wear their power as a status symbol have *personalized power*. Others mainly have a high need for *socialized power* because they desire power as a means to help others.[29] McClelland argues that effective leaders should have a high need for socialized rather than personalized power. They must have a high degree of altruism and social responsibility and be concerned about the consequences of their own actions on others.

Learning Needs   McClelland believed that needs can be learned (more accurately, strengthened or weakened), and the training programs he developed supported that proposition. In his achievement motivation program, trainees wrote achievement-oriented stories and practiced achievement-oriented behaviors in business games. They also completed a detailed achievement plan for the next two years and formed a reference group with other trainees to maintain their new-found achievement motivation.[30] Participants attending these achievement motivation programs subsequently started more new businesses, had greater community involvement, invested more in expanding their businesses, and employed twice as many people compared with a matched sample of non-participants. These training programs increased achievement motivation by altering participants' self-concept and reinforcing their achievement experiences. When writing an achievement plan, for example, participants were encouraged (and supported by other participants) to experience the anticipated thrill of succeeding.
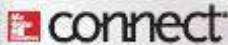
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Visit **connect.mcgrawhill.com** for activities and test questions to help you learn about four-drive theory and other needs-based models of motivation.

FOUR-DRIVE THEORY

One of the central messages of this chapter is that emotions are at the core of employee motivation. Across the social sciences, it is increasingly agreed upon that human beings have several hardwired drives, including social interaction, learning, and getting ahead. These drives generate emotions, which represent the prime movers or sources of effort of individual behavior. Most organizational behavior theories of motivation focus on the cognitive aspects of human motivation; **four-drive theory** is one of the few to recognize the central role of human emotions in the motivation process.[31]

According to four-drive theory, everyone has four drives: drive to acquire, drive to bond, drive to comprehend, and drive to defend. These drives are innate and universal, meaning that they are hardwired in our brains and are found in all human beings. They are also independent of one another. There is no hierarchy of drives, so one drive is neither dependent on nor inherently inferior or superior to another drive. Four-drive theory also states that these four drives are a complete set—there are no fundamental drives excluded from the model. Another key feature is that three of the four drives are proactive—we regularly try to fulfill them. Only the drive to defend is reactive—it is triggered by threat. Thus, any notion of fulfilling drives is temporary, at best.

Four-drive theory identified the four drives based on their considerable discussion in prior research (which we noted earlier in this chapter). These drives are:

four-drive theory
A motivation theory based on the innate drives to acquire, bond, learn, and defend that incorporates both emotions and rationality.

- *Drive to acquire.* This is the drive to seek, take, control, and retain objects and personal experiences. The drive to acquire extends beyond basic food and water; it includes enhancing one's self-concept through relative status and recognition in society.[32] Thus, it is the foundation of competition and the basis of our need for esteem. Four-drive theory states that the drive to acquire is insatiable because the purpose of

human motivation is to achieve a higher position than others, not just to fulfill one's physiological needs.

- *Drive to bond*. This is the drive to form social relationships and develop mutual caring commitments with others. It explains why people form social identities by aligning their self-concept with various social groups (see Chapter 3). It may also explain why people who lack social contact are more prone to serious health problems.[33] The drive to bond motivates people to cooperate and consequently is a fundamental ingredient in the success of organizations and the development of societies.

- *Drive to comprehend*. This is the drive to satisfy our curiosity, to know and understand ourselves and the environment around us.[34] When observing something that is inconsistent with or beyond our current knowledge, we experience a tension that motivates us to close that information gap. In fact, studies have revealed that people who are removed from any novel information will crave even boring information; in one classic experiment, participants deprived of information eventually craved month-old stock reports![35] The drive to comprehend is related to the higher-order needs of growth and self-actualization described earlier.

- *Drive to defend*. This is the drive to protect ourselves physically and socially. Probably the first drive to develop, it creates a "fight-or-flight" response in the face of personal danger. The drive to defend goes beyond protecting our physical self. It includes defending our relationships, our acquisitions, and our belief systems.

How Drives Influence Motivation and Behavior   Four-drive theory is derived from recent neuroscience research regarding the emotional marker process and how emotions are channeled into decisions and behavior.[36] As we described in previous chapters, our perceptions of the world around us are quickly and nonconsciously tagged with emotional markers. According to four-drive theory, the four drives determine which emotions are tagged to incoming stimuli. If you arrive at work one day to see a stranger sitting in your office chair, you might quickly experience worry, curiosity, or both. These emotions are triggered by one or more of the four drives. In this example, the emotions produced are likely strong enough to demand your attention and motivate you to act on this observation.

Most of the time, we aren't aware of our emotional experiences because they are subtle and fleeting. However, emotions do become conscious experiences when they are sufficiently strong or when we experience conflicting emotions. In these circumstances, our mental skill set relies on social norms, past experience, and personal values to direct the motivational force of our emotions to actions that deal with that situation (see Exhibit 5.3). In other words, our mental skill set chooses courses of action that are acceptable to society, are consistent with our own moral compass, and have a high probability of achieving the goal.[37] This is the process described at the beginning of this chapter: Drives produce emotions, and various personal characteristics (self-concept, social norms, experience) translate these emotions into goal-directed needs, which are then directed into decisions and behavior.

Evaluating Four-Drive Theory   Although four-drive theory was introduced recently, it is based on a deep foundation of research that dates back more than three decades. The drives have been identified from psychological and anthropological studies. Furthermore, Shalom Schwartz recently reported that four-drive theory maps well onto the ten dimensions in his circumplex model of personal values (see Chapter 2).[38] The translation of drives into goal-directed behavior originates from considerable research on emotions and neural processes. The theory explains why needs vary from one person to the next, but avoids the assumption that everyone has the same needs hierarchy. Notice

EXHIBIT 5.3   Four-Drive Theory of Motivation
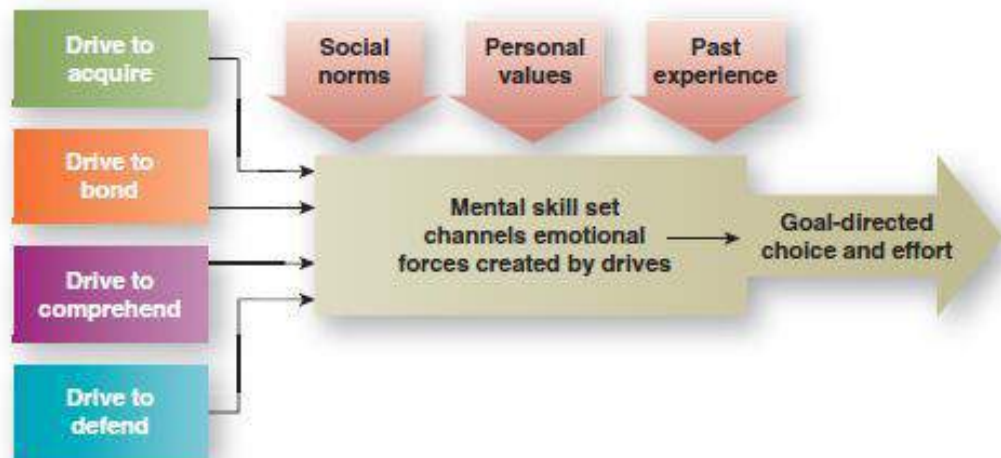
too that four-drive theory satisfies two of Maslow's criteria for any motivation theory: It is holistic (it relates to all drives, not just one or two) and humanistic (it acknowledges the role of human thought and social influences, not just instinct). Four-drive theory also provides a much clearer understanding of the role of emotional intelligence in employee motivation and behavior. Employees with high emotional intelligence are more sensitive to competing demands from the four drives, are better able to avoid impulsive behavior from those drives, and can judge the best way to act to fulfill those drive demands in a social context.

Even with its well-researched foundations, four-drive theory is far from complete. Most experts would argue that one or two other drives exist that should be included. Furthermore, social norms, personal values, and past experience probably don't represent the full set of individual characteristics that translate emotions into goal-directed effort. For example, personality and self-concept probably also moderate the effect of drives on needs and needs on decisions and behavior.

Practical Implications of Four-Drive Theory   The central advice from four-drive theory is that organizations should ensure that jobs and workplaces provide a balanced opportunity to fulfill the four drives.[39] There are really two recommendations here. The first is that the best workplaces for employee motivation and well-being offer conditions that help employees fulfill all four drives. Employees continually seek fulfillment of their innate drives, so successful companies provide sufficient rewards, learning opportunities, social interaction, and so forth, for all employees.

The second recommendation is that fulfillment of the four drives must be kept in balance; that is, organizations should avoid too much or too little opportunity to fulfill each drive. The reason for this advice is that the four drives counterbalance one another. The drive to bond counterbalances the drive to acquire; the drive to defend counterbalances the drive to comprehend. An organization that fuels the drive to acquire without the drive to bond may eventually suffer from organizational politics and dysfunctional conflict. Change and novelty in the workplace will aid the drive to comprehend, but too much of it will trigger the drive to defend to such an extent that employees become territorial and resistant to change. Thus, the workplace should offer enough opportunity to keep all four drives in balance.

B&Q, the world's third-largest home improvement retailer, tries to maintain a balanced fulfillment of the drive to acquire, bond, and comprehend (while minimizing the drive to defend). For example, the British retailer is known for fun activities where staff can fulfill their drive to bond. In one such activity, employees at all 330 B&Q stores simultaneously participated in a five-minute dance routine during store hours. The charity event attempted to break a world record flash mob. "It puts a smile on the faces of our staff which hopefully transfers into great customer service," says one B&Q store manager about the flash mob event.[40]

≡ connect

Visit **connect.mcgrawhill.com** for activities and test questions to help you learn about expectancy theory of motivation.
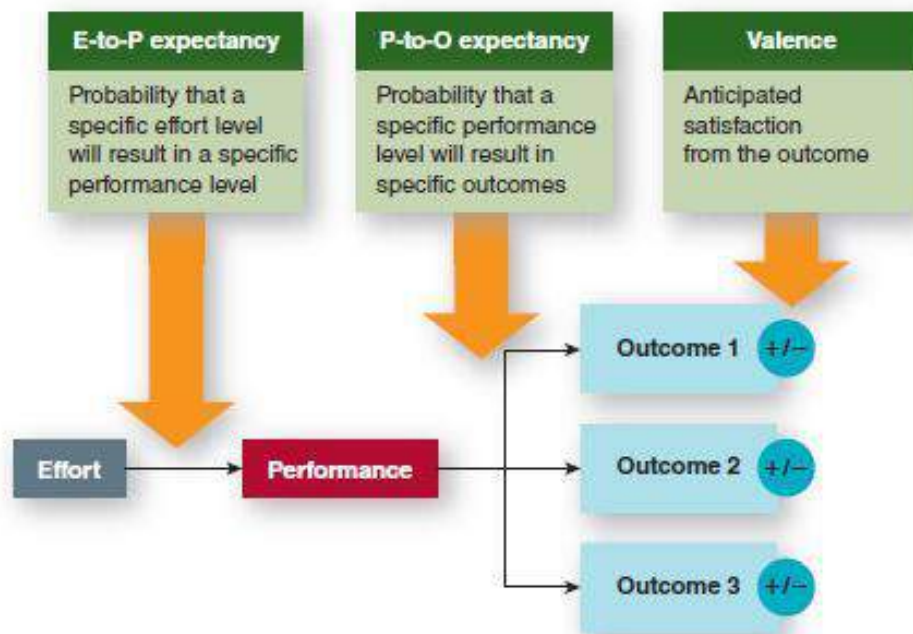
Expectancy Theory of Motivation

LO 5-4

The theories described so far mainly explain the internal origins of employee motivation. But how do these drives and needs translate into specific effort and behavior? Four-drive theory recognizes that social norms, personal values, and past experience direct our effort, but it doesn't offer any more detail. **Expectancy theory,** on the other hand, offers an elegant model based on cognitive logic to predict the chosen direction, level, and persistence of motivation. Essentially, the theory states that work effort is directed toward behaviors that people believe will lead to desired outcomes. In other words, we are motivated to achieve the goals with the highest expected payoff.[41] As illustrated in Exhibit 5.4, an individual's effort level depends on three factors: effort-to-performance (E-to-P) expectancy, performance-to-outcome (P-to-O) expectancy, and outcome valences. Employee motivation is influenced by all three components of the expectancy theory model. If any component weakens, motivation weakens.

expectancy theory
A motivation theory based on the idea that work effort is directed toward behaviors that people believe will lead to desired outcomes.

- *E-to-P expectancy.* This is the individual's perception that his or her effort will result in a particular level of performance. In some situations, employees may believe that they can unquestionably accomplish the task (a probability of 1.0). In other situations, they expect that even their highest level of effort will not result in the desired performance level (a probability of 0.0). In most cases, the E-to-P expectancy falls somewhere between these two extremes.

- *P-to-O expectancy.* This is the perceived probability that a specific behavior or performance level will lead to a particular outcome. In extreme cases, employees

EXHIBIT 5.4

Expectancy Theory of
Motivation

E-to-P expectancy	P-to-O expectancy	Valence
Probability that a specific effort level will result in a specific performance level	Probability that a specific performance level will result in specific outcomes	Anticipated satisfaction from the outcome

Effort → Performance → Outcome 1 (+/−), Outcome 2 (+/−), Outcome 3 (+/−)

may believe that accomplishing a particular task (performance) will definitely result in a particular outcome (a probability of 1.0), or they may believe that successful performance will have no effect on this outcome (a probability of 0.0). More often, the P-to-O expectancy falls somewhere between these two extremes.

- *Outcome valences.* A *valence* is the anticipated satisfaction or dissatisfaction that an individual feels toward an outcome. It ranges from negative to positive. (The actual range doesn't matter; it may be from −1 to +1 or from −100 to +100.) An outcome valence represents a person's anticipated satisfaction with the outcome.[42] Outcomes have a positive valence when they are consistent with our values and satisfy our needs; they have a negative valence when they oppose our values and inhibit need fulfillment.

EXPECTANCY THEORY IN PRACTICE

One of the appealing characteristics of expectancy theory is that it provides clear guidelines for increasing employee motivation.[43] Several practical applications of expectancy theory are listed in Exhibit 5.5 and are described on the following page.

Increasing E-to-P Expectancies   E-to-P expectancies are influenced by the individual's belief that he or she can successfully complete the task. Some companies increase this can-do attitude by assuring employees that they have the necessary competencies, clear role perceptions, and necessary resources to reach the desired levels of performance. An important part of this process involves matching employees' competencies to job requirements and clearly communicating the tasks required for the job. Similarly, E-to-P expectancies are learned, so behavior modeling and supportive feedback (positive reinforcement) typically strengthen the individual's belief that he or she is able to perform the task.

Increasing P-to-O Expectancies   The most obvious ways to improve P-to-O expectancies are to measure employee performance accurately and distribute more valued rewards to those with higher job performance. P-to-O expectancies are perceptions, so employees also need to believe that higher performance will result in higher rewards. Furthermore, they

EXHIBIT 5.5   **Practical Applications of Expectancy Theory**

EXPECTANCY THEORY COMPONENT	OBJECTIVE	APPLICATIONS
E → P expectancies	To increase the employee's belief that s/he is capable of performing the job successfully	• Select people with the required skills and knowledge. • Provide required training and clarify job requirements. • Provide sufficient time and resources. • Assign simpler or fewer tasks until employees can master them. • Provide examples of similar employees who have successfully performed the task. • Provide coaching to employees who lack self-confidence.
P → O expectancies	To increase the employee's belief that his/her good performance will result in certain (valued) outcomes	• Measure job performance accurately. • Clearly explain the outcomes that will result from successful performance. • Describe how the employee's rewards were based on past performance. • Provide examples of other employees whose good performance has resulted in higher rewards.
Outcome valences	To increase the employee's expected value of outcomes resulting from desired performance	• Distribute rewards that employees value. • Individualize rewards. • Minimize the presence of countervalent outcomes.

need to know how that connection occurs, so leaders should use examples, anecdotes, and public ceremonies to illustrate when behavior has been rewarded.

Increasing Outcome Valences   One size does not fit all when motivating and rewarding people. Organizational leaders need to find ways to individualize rewards or, where standard rewards are necessary, to identify rewards that do not have a negative valence for some staff. Consider the following story: Top-performing employees in one organization were rewarded with a one-week Caribbean cruise with the company's executive team. Many were likely delighted, but at least one top-performer was aghast at the thought of going on a cruise with senior management. "I don't like schmoozing, I don't like feeling trapped. Why couldn't they just give me the money?" she complained. The employee went on the cruise, but spent most of her time working in her stateroom.[44]

One other observation about increasing outcome valences is to watch out for countervalent outcomes that offset outcomes with positive valences. For example, several employees in one work unit were individually motivated to perform well because this achievement gave them a feeling of accomplishment and rewarded them with higher pay. But their performance was considerably lower when they worked together with others because peer pressure discouraged performance above a fairly low standard. In this situation, the positively valent outcomes (feeling of accomplishment, higher pay) were offset by the negatively valent outcome of peer pressure.

Overall, expectancy theory is a useful model that explains how people rationally figure out the best direction, intensity, and persistence of effort. It has been tested in a variety of situations and predicts employee motivation in different cultures.[45] However, critics have a number of concerns with how the theory has been tested. Another concern is that expectancy theory ignores the central role of emotion in employee effort and behavior. The valence element of expectancy theory captures some of this emotional process, but only

peripherally.[46] Finally, expectancy theory outlines how expectancies (probability of outcomes) affect motivation, but it doesn't explain how employees develop these expectancies. Two theories that provide this explanation are organizational behavior modification and social cognitive theory, which we describe next.

Organizational Behavior Modification and Social Cognitive Theory

LO 5-5

Expectancy theory states that motivation is determined by employee beliefs about expected performance and outcomes. But how do employees learn these expectancies? Finding the answer to this question directs us to two theories: organizational behavior modification (OB Mod) and social cognitive theory. Although these theories explain how people *learn* what to expect from their actions, they are also theories of motivation because, as in expectancy theory, the learned expectancies affect the person's direction, intensity, and persistence of effort.

ORGANIZATIONAL BEHAVIOR MODIFICATION

For most of the first half of the 1900s, the dominant paradigm about managing individual behavior was *behaviorism*, which argues that a good theory should rely exclusively on behavior and the environment and ignore nonobservable cognitions and emotions.[47] Although behaviorists don't deny the existence of human thoughts and attitudes, they view them as unobservable and, therefore, irrelevant to scientific study. A variation of this paradigm, called **organizational behavior modification (OB Mod),** eventually entered organizational studies of motivation and learning.[48]
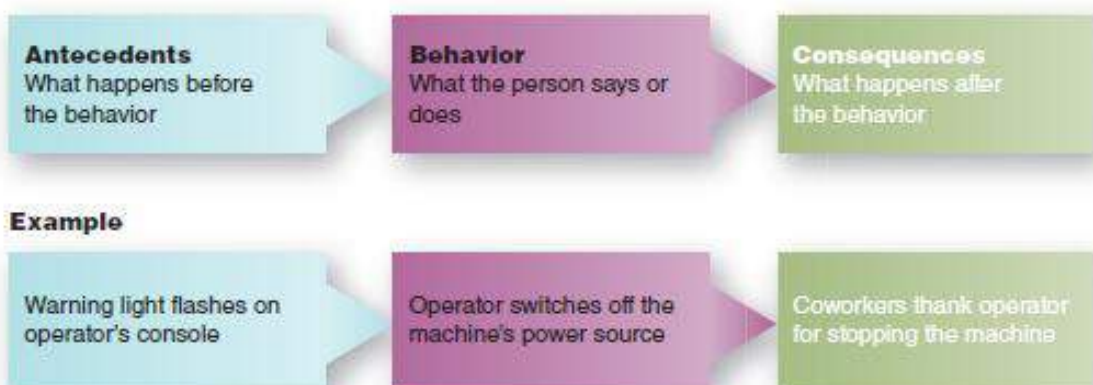
organizational behavior modification
A theory that explains employee behavior in terms of the antecedent conditions and consequences of that behavior.

A-B-Cs of OB Mod   The core elements of OB Mod are depicted in the A-B-C model shown in Exhibit 5.6. Essentially, OB Mod attempts to change behavior (B) by managing its antecedents (A) and consequences (C).[49] *Consequences* are events following a particular behavior that influence its future occurrence, such as the compliments or teasing received from coworkers when the employee wears safety goggles. Consequences also include no outcome at all, such as when no one says anything about how well you have been serving customers.

Antecedents are events preceding the behavior, informing employees that a particular action will produce specific consequences. An antecedent may be a sound from your smartphone signaling that a text message has arrived. Or it might be your supervisor's request to

EXHIBIT 5.6   A-B-Cs of Organizational Behavior Modification

Antecedents
What happens before the behavior

Behavior
What the person says or does

Consequences
What happens after the behavior

Example

Warning light flashes on operator's console

Operator switches off the machine's power source

Coworkers thank operator for stopping the machine

Sources: Adapted from T. K. Connellan, *How to Improve Human Performance* (New York: Harper & Row, 1978), p. 50; F. Luthans and R. Kreitner, *Organizational Behavior Modification and Beyond* (Glenview, IL: Scott, Foresman, 1985), pp. 85–88.