

# THEORIES AND METHODS REGARDING EMPLOYEE MOTIVATION

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**Abstract:** Nowadays, more and more companies from the international business environment, are starting to consider their own employees as a more important resource than the financial capital or the physical assets. This is why the employee motivation is becoming one of the main focuses amongst the companies who want to maintain a competitive position in the market. Motivation, as an instrument used for the increase of human resource productivity, can take different shapes, according to the psychosocial profile of each employee. Thus, the managers should build a personal relationship with their employees and try to understand their expectations regarding to what the company can offer them. Moreover, managers should understand which are the best methods through which they can increase their employee's satisfaction, so they can fulfill their task at an optimum level.

This paper aims to present a series of theories and methods employee motivation, their advantages and disadvantages and the situations in which these theories can be successfully applied.

**JEL classification:** M50, M59

**Key words:** motivation, human resources, leadership, employee, Maslow, Herzberg

## 1. INTRODUCTION

According to the English Oxford Dictionary, motivation is "A reason or reasons for acting or behaving in a particular way" or a "desire or willingness to do something; enthusiasm"<sup>1</sup>. Transposing this term into the business environment, it refers to a set of incentives (financial or non financial) that compels the employees to act in a certain way, usually towards achieving the organization's short and long-term goals (more or less these goals refer to obtaining a profit).

Due to the advance of international business practices, nowadays, more and more companies are starting to understand that the real engine of their profit making machine are the employees, not the financial capital that they are trying to multiply through their everyday activities. This approach compels the managers to focus more on motivating the human resource and to try and understand which are the best methods to motivate their employees into adhering to the organization's goals and vision, thus increasing their productivity and the company's productivity.

### *What is the motivation?*

Studying motivations means studying why people act in a certain way, why they prefer certain actions (and not others) and why they insist doing things a certain way, even if they face difficulties and problems<sup>2</sup>. Thus, motivation can be defined as the direction and the persistence of a certain action. It represents the force that drives an individual to achieve a certain goal, to satisfy it's needs or expectations. The human behaviour is determined by what is motivating them and their performances are the result of combining their practical abilities with their motivation<sup>3</sup>

A certain individual has a variety of ever changing and sometimes conflictual needs and expectations, which can be satisfied in different ways. These needs and expectations can be divided in categories like: „physiological”, „social”, „intrinsic” or „extrinsic” etc. At their workplace, the people can be motivated either by the fact that they are undergoing an activity which is satisfying their needs and leads to the achievement of their own goals, or either by the managers through diferent payroll schemes, promotion, recognition, etc. Thus, the motivation can be divided in:

a) *Intrinsic motivation*, self-generated, which is influencing the individual to act in a certain way.

This includes responsibility (the feeling that their work is important and that one has control over his own resources), freedom to act, to chose the goals, to develop one's goals, interesting and stimulative rasks, promotion and development opportunities. This type of motivation, closely linked with the „quality of active life” can have a serious long term impact, because it's self driven, not imposed from the outside environment

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<sup>1</sup><http://www.oxforddictionaries.com/definition/english/motivation?q=motivation>

<sup>2</sup>Krech, D., Crutchfield, R. S. and Ballachez, E. L. Individual in Society, McGraw-Hill, 1962, apud. Mullins, J. Laurie, *Management and Organizational Behaviour*, second edition, Pitman, 1990, p.297

<sup>3</sup> Mullins, p.298; Attwood, Margaret and Dimmock, Stuart, *Personal Management*, Macmillan Business, third edition, 1996, p.71

b) *Extrinsic motivation* comes from outside, to motivate the employees. In this category, can be included: incentives as raising the salary, recognition of one's work, promotion or sanctions (salary cuts, criticism, all of these being examples of negative motivation). This type of motivation usually has a strong effect on short term, but it fades eventually, on the long term.<sup>4</sup>

Throughout the years, many psychologists and economists stated a number of theories, sustaining the concept of motivation, as it has been described above. This present paper aims to present some of these theories, together with a couple of practical methods that the managers from the international business environment are using to motivate their employees.

## 2. MOTIVATIONAL THEORIES

The motivational theories are trying to explain how a certain behavior can be started, how can it be sustained, driven in a certain direction and stopped when the said behavior is no longer considered acceptable by the organization's standards. Being oriented on the content or on the motivational processes these theories have been divided in:

- a) *Content oriented theories*: These theories try to answer to the questions "WHAT is motivation the people" and "WHY are people behaving in a certain way?" From this category we will discuss Maslow's Hierarchy of Needs, McClelland's model of realization and the Herzberg's Motivation-Hygiene theory.
- b) *Process oriented theories*, which try to answer questions like "HOW does the motivation appear?" and "WHICH are the relations between the different involved factors?". The most representative are the Theory of Expectations (Vroom) and the Goal Setting Theory (Latham and Locke)

### 2.1. Content oriented theories

These are also known as needs based theories and they start by defining the human needs as necessity states which manifest through the presence of a tension or unbalance in the organic or personality system, which needs to be cast out and balance be reinstalled.

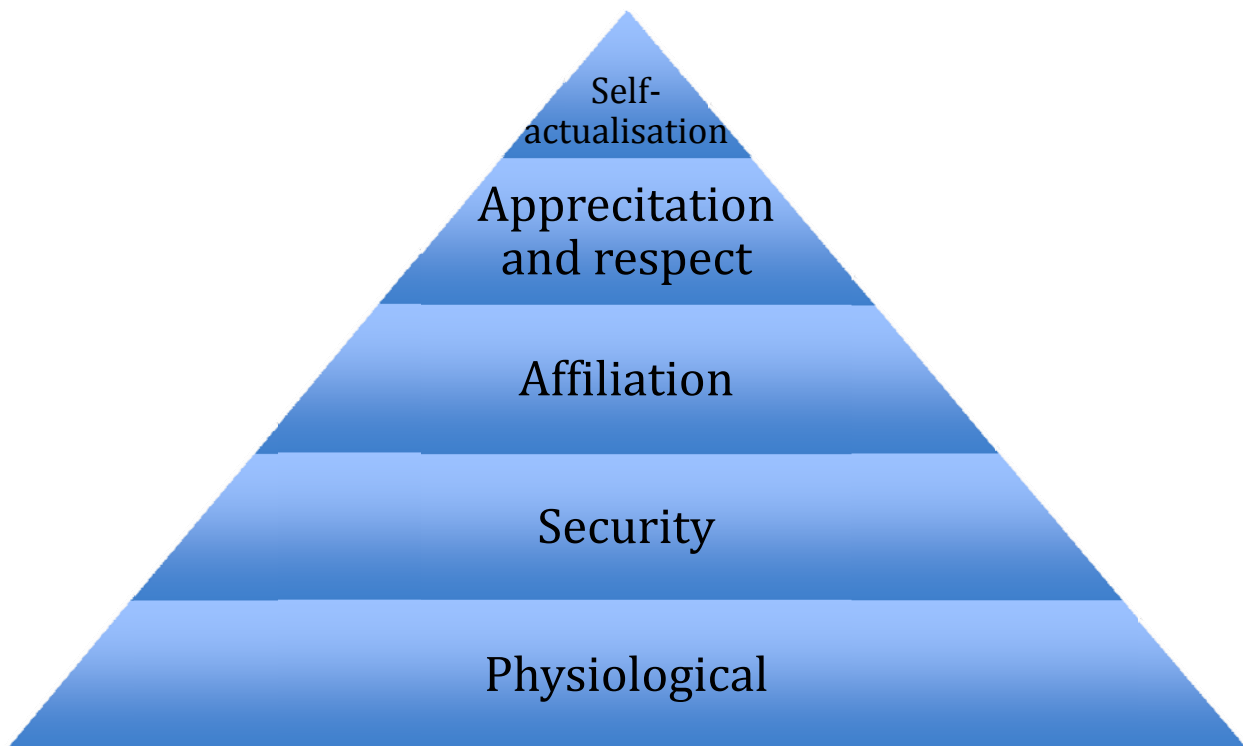
To reinstall the balance, one must identify a goal which satisfy said need and select a course of action/behavior which will lead to the accomplishment of the goal. Thus, the human behavior is motivated by unsatisfied needs (Armstrong, 1996).

#### a) *Maslow Hierarchy of Needs*

A starting point in the motivational theories is the humanist approach through the pyramid-shaped classification that Maslow stated in his works regarding individual development and motivation (Eysenck, 1998). In Maslow's conception, the human is a being that wants more and more, and what he wants depends on what he already has. Thus, the human needs are placed on several levels in a hierarchy, according to their importance. In the 1940's, he presented a model with five levels of needs, as it is shown in Picture 1.

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<sup>4</sup> Torrington, Derek and Hall, Laura, *Personnel Management – A New Approach*, Aprentice Hall, New York, London, Toronto, 1991, p.299



Source: <http://www.simplypsychology.org/maslow.html>

Figure no. 1

According to Maslow, the superior levels do not appear until the inferior ones are satisfied. Thus, the force of a need is defined by its level in the hierarchy and by how well the inferior needs have been satisfied. Satisfying a need at a certain level leads to the dissatisfaction regarding the need of the next level. During this time, if a need from a lower level is in danger, it becomes dominant again and has a more important place in the human motivational system. Thus, if he unexpectedly loses his job, he won't fight for recognition but for ensuring his and his family financial stability.

- The self-actualization needs represent the maximum personal motivation, an individual's wish to develop in order to fulfill his potential.
- *The physiological needs* are related to food, rest, etc. In the business environment, these needs are satisfied through the minimum wage, optimal working conditions, breaks, free lunch, etc.
- *The security needs* are those satisfied by safety and protection, through means like: medical insurance, pension plan, safe working conditions, protective gear, stable job, decent salary, etc.
- *The affiliation needs.* The organization can satisfy these through social or group activities, encouraging the interaction between employees, professional friendships, etc.
- *The appreciation and respect needs.* These can be satisfied through: increasing the salary, praising of one's work, office provided cell phone, laptop or car, etc.
- *Self-actualization needs.* In the organizational environment: performance opportunities, encouraging one's creativity, responsibility, promotion, autonomy in decisions, etc.

The first three needs (physiological, security and affiliation) are also known as *deficiency needs* (lack of satisfaction at these levels has repercussions upon one's physical and psychic health), whilst the next two (appreciation and self actualization) are known as *development needs*, their satisfaction leading to one's development and personal fulfillment.

b) *McClelland's model of realization*

A very important motivational model can be determined by one of the following needs: affiliation, power or realisation.

Individuals characterized by *affiliation needs*, are, mainly, looking for collaboration relationships, friendship, love, usually conforming to other's wishes and opinions. For these persons, long term, close relationships are very important and usually they work in social services.

The *need for power* manifests through the need of control upon the surrounding environment and the people with which one interacts. McClelland identified two forms of this need: *personal power* – which implies the control and domination of others as a goal itself, without being interested in the organization's objectives and the *institutionalized (socialized) power* – in which influencing and dominating others is a mean through which the organization's goals are achieved.

The individuals with a strong *need for realization* wish to prove their worth, their abilities, to excel in a certain field and to fulfill the set goals (either theirs, or the organization's). For these people, money is a strong incentive, but more in the way of representing a reward for the fulfillment of the set objectives.

McClelland tried to understand and explain the behavior of the individuals with a high need for realization: they look for medium difficulty tasks, for which they take responsibility, they can postpone the moment of recognition, failure is not discouraging them, they expect feedback regarding their performance and they tend to prefer innovation and new situations with moderate risk.

c) *Herzberg's Motivation-Hygiene Theory*

Herzberg, Mausner and Snyderman (1959) stated a two-factor theory regarding the work satisfaction, which will later be adopted as a motivation theory (Saal and Knight, 1988).

The initial study has been based on structured interviews with 200 engineers and economists from nine different companies. During the interviews, the subjects had to describe in which work related circumstances they felt either very good or very bad and to state how long these feelings have held. The data have been registered and included in different categories of events that lead to the employees developing positive or negative attitudes regarding their workplace. The conclusions of this study led to a distinction between two categories of factors:

- **Motivational factors** (satisfaction, intrinsic or content factors): events usually associated with positive attitudes regarding the work place. These events are usually linked to the professional activities (*realization, work itself, responsibility and promotion*), which means they are intrinsic to the activity itself
- **Hygiene factors** (dissatisfaction, extrinsic or context factors). The events associated with negative attitudes regarding the work place are extrinsic to the work itself and are more likely associated with the context of the activity (*the organisation's administration and policy, job security, salary, management, interpersonal relationships and general work conditions*).

Herzberg states that the studies' results indicate the fact *the opposite of satisfaction is not dissatisfaction*: if the dissatisfaction inducing aspects are eliminated, the work itself does not become more satisfactory, it merely becomes not dissatisfactory. Thus, the author proposes a concept in which the opposite of "satisfaction" is "the lack of satisfaction" and the opposite of dissatisfaction is the "the lack of dissatisfaction".

This theory has been used as a base for projecting and restructuring the job descriptions, for offering more interesting work opportunities and had an important role in the development of managerial programs and tools related to job enrichment. According to Herzberg, the essential elements of job enrichment are:

- Frequent feedback regarding one's performance
- The opportunity for an employee to understand that his job can lead to his psychological development
- The opportunity to efficiently program the employees' tasks
- Flexibility in managerial hierarchy
- Employee's responsibility for his results.

## 2.2. Process oriented theories

Process oriented theories focus on the processes and the psychological factors which influence motivation, trying to explain **how** motivation appears. They are also known as cognitive theories, because they are interested by people's perceptions upon the environment in which they are working and how they understand and interpret it.

The theories that will be presented in the next pages have been stated by:

- *Victor Vroom: Expectancy theory* – Vroom introduced this theory in labor psychology through a version published in "*Work and Motivation*" (1964);
  - *Edwin Locke and Gary Latham: Goal Setting Theory*
- a) *Vroom's Expectancy theory*

The expectancy theory states that the intensity of one's effort depends on the value of the reward that he is expecting to receive. In any situation, people are interested in maximizing their gains and minimizing their losses (effort, time, etc). It's a cognitive theory, based on a rationalist-economic concept, which states that people make decisions through the selection and the evaluation of already known alternatives, choosing the one that offers them the most advantages (Lafate, 1998; Nicholson, 1998)

This theory is based on three basic elements: *expectancy (effort-performance relationship)*, *instrumentality (performance-outcome relationship)*, *valence (value of the outcome)*. Intensive motivation will arise from combining these three mandatory elements. The lack of one element (whichever of the afore-mentioned three) will result in a lack of motivation. Basically, in order for one to be motivated in doing a certain activity, he must value the associated reward, to believe that he can accomplish the said activity and to be assured that his performance will be rewarded.

*The effort-performance relationship: the expectancy* is the probability that the effort made by an individual will lead to fulfilling the task at a certain performance level. In his model, Vroom quantified the expectancy levels (they can vary between 1 and 0), where 0 refers to null expectancy regarding the correct fulfilment of the task (no matter how much effort the employee will make, he will not obtain any performance) and 1 refers to the individual's faith in his capacity to fulfil his task. This translates in the fact that a well prepared person with faith in his own capacities will have greater expectancies than a person with no self-confidence or ill-prepared regarding professional tasks.

The expectancy refers to an employee's perception that his effort will lead to performance and it's influenced by the employee's *abilities* (given by experience, knowledge, etc), *resources* (adequate equipment, relevant information, time, etc) and *the clarity of the task*.

*The performance-outcome relationship (instrumentality)* is the probability that a first level result (performance level) will be followed by a second level result (remuneration, promotion, feeling of fulfilment). In order for the

employee's belief that the desired outcomes (rewards) to be attached to his performance, the link between the first and second level results must be visible. The chances of obtaining a reward, as they are perceived by an individual can vary between 0 and 1, where 0 means that he does not foresee any chance to obtaining the desired reward/outcome for the way he fulfilled his tasks.

The *valence* is the value or the attractiveness of a result that an employee expects; it does not exist by itself, only in a relationship with a certain object or state (results). These results can be: *tangible* (remuneration, better working conditions, etc), *intangible* (performance recognition, feeling of fulfillment, etc) or *performance levels*. According to Vroom's model, the behaviors and performance levels are *first level results*, whilst the others are *second level results* (McCormick & Ilgen, 1995).

A result's valence for a person can vary from -1 to +1, where -1 means that the individual is strongly motivated to avoid that result (dismissal, fatigue, stress, etc), +1 means that the person is strongly motivated to achieve that result (promotion, bonus, etc), whilst 0 represents the indifference towards a certain result.

The valence of this results is different for each individual. Thus, a person with a high need for esteem will positively value a result which implies a promotion, whilst a person near the end of his career, with a greater need for security will value more the re-actualization of his pension-funds.

At the same time, these results can be *intrinsic*(resulting directly from fulfilling the task) or *extrinsic*(usually applied by others) as it is shown in Table 1.

Table no.1

Valence	Intrinsic Results	Extrinsic Results
Positive	<ul style="list-style-type: none"> <li>• Feeling of fulfilment</li> <li>• Self-respect</li> <li>• Feeling of self-development</li> <li>• Feeling of achievement</li> <li>• Feeling of self-actualisation</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration or additional benefits</li> <li>• Task diversification</li> <li>• Praise</li> <li>• Promotion</li> <li>• Free time</li> </ul>
Negative	<ul style="list-style-type: none"> <li>• Fatigue</li> <li>• Stress</li> </ul>	<ul style="list-style-type: none"> <li>• Penalties</li> <li>• Salary cuts</li> </ul>

#### b) Locke and Latham's Goal Setting Theory

This theory is based on Edwin A. Locke and Gary Latham's studies, focusing, at the same time on the employee's own goals (individual factors) and on the organisation's goals; the basic idea of these studies is that certain organisational objectives should be "negotiated" between managers and employees. According to this theory, the motivation and the performance are high when the individuals set specific goals and when those goals are somewhat difficult but accepted. A very important aspect is the feedback which is necessary for sustaining the motivation.

According to this theory, in order to achieve maximum motivation and performance the goals must be "S.M.A.R.T.":

- **Specific:** A specific objective is expressed very clearly and does not permit interpretations. It refers to concrete results
- **Measurable:** this means that a goal may be measured either from a quantitative or qualitative point of view. It allows to accurately establish in which degree the said objective has been fulfilled. At the same time, it's progress can be monitored in real time.
- **Achievable:** this means the goal must not be impossible, by the common standards of the person who sets it (usually a manager) and the person who executes (a lower level manager or employee)
- **Realistic:** similar to the previous characteristic, it means that the goal can be fulfilled given the current resources.
- **Time-bound:** This refers to the fact the goal should have a clear deadline, until which it must be fulfilled.

This theory is based on the idea that the employee's goals and intentions play an important role in setting his behaviour. It's an intuitive theory and it has an important role in approaching the work-place motivation problem and it offers practical suggestions for the managers:

- Establishing specific goals in order to guide the employees' behaviour
- The goals must be challenging, hard to achieve, but realistic at the same time
- Ensuring feedback regarding the results; the employees should be aware of their progress;
- The best approach is to set the goals together with the employees, in order to ensure maximum motivation and performance.

### 2.3. The integration of different motivational theories

The heterogeneousness of different motivational theories and models led different researchers to try and integrated them in an universal, complete and functional model, which can be practically applied in the managerial life. Building an integrated model, capable of offering a way to predict more efficiently the employees' performance was

necessary because, the traditional motivational theories and models managed to explain only 20% of these performances' variation (Katzell& Thompson, 1990). Katzell and Thompson have built a model which integrates attitudes, motivation and performance, combining the theories of needs, expectancy and goal setting.

The key elements of this model are:

- **Personal Dispositions** are referring to the instrinsic elements of an individual. In this category, we can include the reasons, the needs and the personal values.
- **Work environment** includes the work-place characteristics which provoke positive or negative reaction from the employee
- **Stimulents** include work-place stimuli which are relevant for the satisfaction of personal needs.
- **Employee attitudes** have an activating function because they determine a behaviour through which an employee can respond positively or negatively regarding a certain object or state
- **Goals** represents a final state or certain results towards a certain behaviour is driven. They are determined by employee norms (defined as behavioural standards that are considered appropriate in the work environment)
- **Equity** refers to the balance between performance and reward, as they are perceived by the employee.

### 3. PRACTICAL METHODS OF EMPLOYEE MOTIVATION

Managers from all around the world have interpreted these theoretical models, transposing them into different business practices of employee motivation. A few examples will be given below:

- a) *Listen and Answer*: it refers to the clear and precise communication between managers and employees regarding tasks and goals.
- b) *Verbal Motivational Feedback*: it consists of an explicit positive reaction towards and employee, in front of his colleagues, according to the importance of the employee's results.
- c) *Job Enrichment* consists in adding execution and management competencies and responsibilities, developing the autonomy and the role of certain key employees.
- d) *Modifying Work-week*. Compressing the work week, flexible program and part-time jobs have been described as alternatives to the traditional work program, technique used for increasing the employee motivation. If an employee can decide when to work, he will, eventually, develop an autonomy and professionalism sense, contributing to an increase in motivation.
- e) *Rewarding the employees*. This is the most used and the best understood method: an increase in performance leads to rewards (salary raise, bonuses, promotion); in case this increase does not happen, penalties will be applied (dismissals, transfers, salary cuts). Research evidence regarding employee behaviour show us that an efficient Rewards and Recognition system has visible results, but the strategies based on penalties are not motivating.
- f) *Involving the employees in the decision making process*. This technique consists in considering the employees' opinions regarding the organisational and personal goals, developing a sense of ownership on the said goals. This feeling of participation and certain importance that the employee develops, will most certainly lead to an increase in his motivation.
- g) *Personal Relationships*. Earning the employee's respect and sense of duty leads to an increase in their motivation and their overall performance. If the relationship with his superior is important enough, the employee will act out of respect and out of the fear of losing the manager's friendship and respect.

### 4. CONCLUSIONS

As it was presented in this paper, there is a great variety of theories, techniques, methods and models of motivating the employees. Some models may work in certain work environments, some may not. It's the managers' duty to choose the most efficient one and adapt it to his company needs

In my opinion, neither of them is either completely right or completely wrong. I think the best way to choose an approach regarding your employees' motivation is to study closely each and every member of your team. Different types of people and personalities call for different approaches and it wouldn't be unusual for a manager to be required to apply different techniques to different employees. This is a very sensible situation, in which the manager may be accused of discriminating among the employees. This is why the manager should try to earn their respect and friendship, in order to make them understand what the role of his actions is.

In conclusion, there is no universal motivational model which can be successfully applied in each situation. This why one of the most important characteristics that a manager should have (maybe more important than his technical skills in his field of activity) is to be people oriented, to be patient and try to understand each and every one of his employees in order to find the best combination of motivational strategies which ensure maximum efficiency and profitability.

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