

Contemporary Motivation Theories

by Sophia



WHAT'S COVERED

What motivates you? In a prior tutorial, we discussed motivation theories from the mid to early 20th century. This tutorial will cover contemporary motivation theories, discussing the major modern theories of motivation relevant to business. Our discussion breaks down as follows:

1. Contemporary Motivation Theories

Historic theories are important because they help us understand *what* motivates us. Contemporary motivational theories focus on *why* we are motivated, which wasn't addressed by the classical theories.

1a. Expectancy Theory

Expectancy theory is a theory of motivation which argues that individuals will work harder if they believe that what they expect and want will actually happen. The idea here is that people are motivated to get rewards that they expect they can attain.

If you look at the graph below, you'll notice that effort comes first, and effort leads to performance, which, in turn, leads to outcome. That outcome is something that people expect--and want--to actually happen. This, according to expectancy theory, is what leads to motivation.



This can be useful with human resources management, because an organization can set attainable goals and rewards for its employees, for that effort, performance, and outcome.



TERM TO KNOW

Expectancy Theory

A theory of motivation which argues that individuals will work harder if they believe that what they expect and want will actually happen.

1b. Equity Theory

Equity theory is a theory of motivation which argues that employees will work more consistently and generally enjoy their job more if they believe all employees are being treated in the same manner.

It's important that people don't feel like they're getting the short end of the stick or a raw deal. If they believe they've been treated unfairly, their motivation goes down, because they feel like someone else is getting a

better deal than they are. This is based--on the employees' behalf, at least--on a comparison with their fellows, relative to the inputs that they put in and the outputs that they receive.

It is important for human resources to make sure that all the benefits and pay are equitable across the employee base.



TERM TO KNOW

Equity Theory

A theory of motivation which argues that employees will work more consistently and generally enjoy their job more if they believe all employees are being treated in the same manner.

1c. Goal Setting Theory

Goal setting theory is a theory of motivation which argues that setting meaningful goals will increase productivity. In this case, it is important for managers to set goals that are meaningful to the employee and meaningful to the goals of the organization. If you set goals that aren't relevant to either, then employees tend not to be motivated by those goals.

Goals should be S.M.A.R.T., meaning they should be:

Specific

Measurable

Achievable

Relevant

Time targeted

A S.M.A.R.T goal would be increasing something by a certain amount, in a certain time that is achievable, as opposed to right now or tomorrow, for example. It would be relevant to what is being done at a company, and it would be time targeted, such as increasing employee output by next year on a particular product, for instance.



TERM TO KNOW

Goal Setting Theory

A theory of motivation which argues that setting meaningful goals will increase productivity.

2. Motivation by Management

Many people still think that--according to the classical theory--money is still the only motivator. However, that simply isn't true.

There are two modern options that we can be used as a basis for how to motivate people without money, necessarily, and still get a very good result.

2a. Management by Objectives (MBO)

One is **management by objectives (MBO)**, a system of management which argues that if both managers and employees understand and agree upon the organizational objectives, then there will be higher motivation and productivity.

Management by objectives takes the form of five basic steps.



STEP BY STEP

Step 1: Enlist top management support.

Whatever the objective is that the managers and the employees are ascribing to, must be supported by top management.

Step 2: Set basic goals.

These goals should not be elaborate; rather they should be basic goals that are achievable.

Step 3: Communicate with each employee.

Each employee should be clear on what the objectives are.

Step 4: Conduct a periodic review.

A review should serve the purpose of letting people know when they're not doing well, but also rewarding or encouraging them when they're doing better. If you can't hit a particular objective, then it may be important to make a change to your objectives along the way.

Step 5: Perform an evaluation at a set time.

It's important to have a set schedule to evaluate people every quarter, month, or year so that they know when the evaluation is coming up, and they can set their targets and work to that particular schedule.



TERM TO KNOW

Management by Objectives (MBO)

A system of management which argues that if both managers and employees understand and agree upon the organizational objectives then there will be higher motivation and productivity.

2b. Participative Management and Empowerment

Another option is **participative management and empowerment**, a system of management which argues that engaging employees in decision-making about their work will increase job satisfaction.

In this method, employees are given a say in how they would like to do their job and what their goals are. This theory postulates that individuals are going to be more invested if they have a say in their own goals and participate in the design of those goals.



BIG IDEA

Now, companies may want to use either one of these methods in order to increase employee motivation, because if employee motivation increases, then typically, worker output increases and there is higher morale in the companies also.

More autocratic managers, or people who like to dictate what is going on, may prefer management by objective, or MBO. On the other hand, more democratic and free rein managers may prefer participative management and empowerment, because then they can seek input from their employees.



TERM TO KNOW

Participative Management and Empowerment

A system of management which argues that engaging employees in decision making about their work will increase job satisfaction.



SUMMARY

Today we learned about **contemporary motivation theories**, which explain *why* people are motivated, instead of just how people are motivated. We learned about **expectancy theory**, **equity theory**, and **goal-setting theory**. We also learned about **motivation in the context of contemporary theories**, exploring two modern options that can be used by employers to motivate their employees without necessarily using the incentive of money.

Good luck!

Source: adapted from sophia instructor james howard



TERMS TO KNOW

Equity Theory

A theory of motivation which argues that employees will work more consistently and generally enjoy their job more if they believe all employees are being treated in the same manner.

Expectancy Theory

A theory of motivation which argues that individuals will work harder if they believe that what they expect and want will actually happen.

Goal Setting Theory

A theory of motivation which argues that setting meaningful goals will increase productivity.

Management by Objectives (MBO)

A system of management which argues that if both managers and employees understand and agree upon the organizational objectives then there will be higher motivation and productivity.

Participative Management and Empowerment

A system of management which argues that engaging employees in decision making about their work will increase job satisfaction.