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# UNIT 31 MOTIVATION

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## 11.0 OBJECTIVES

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After studying this unit, you should be able to:

- explain the concept of motivation and the process of motivation
- describe the significance of motivation in present day organisations
- analyse some of the theories of motivation
  - compare Maslow's Need Hierarchy Theory with Herzberg's Motivation Hygiene Theory
  - explain the importance of job enrichment and its limitations in work motivation
- classify different types of motivations — positive and negative, extrinsic and intrinsic and financial and non-financial
- explain the relative importance of financial and non-financial incentives.

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## 11.11 INTRODUCTION

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In Unit 10 you have learnt that the directing function consists of four sub-functions, one of which is motivation. In any organisation, all employees do not perform their work with equal efficiency. Some are found to be more efficient than others. The difference in their performance can be attributed either to differences in their abilities or in their urge or willingness to perform as best as possible. Given the ability and skill, it is the motive of employees which determines whether they will be more or less efficient. Employee motivation i.e. bringing about an inner urge or desire in employees to work to the best of their ability is an important function of management. In this unit we shall deal with the concept and process of motivation its importance, theories of motivation and the types of incentives which may be provided to motivate people.

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## 11.2 CONCEPT OF MOTIVATION

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Motivation may be defined as the complex of forces inspiring a person at work to intensify his **willingness** to use his maximum capabilities for the achievement of certain objectives. Motivation is something that motivates a person into action and induces him to continue in the course of action enthusiastically. It **determines** the behaviour of a person at work.

According to Dalton E. McFarland

"Motivation refers to the way in which urges, drives, desires, aspirations, striving, or needs direct, control or explain the behaviour of human being."

The term 'motivation' is derived from the word 'motive'. Motive may be defined as needs, wants, drives or impulses within the individual. Motives are expressions of a person's needs and hence they are personal and internal. In this context, the term 'need' should not be associated with urgency or any pressing desire for something. It simply means something within an individual that prompts him to action. Motives or needs are 'whys' of behaviour. They start and maintain activity and determine the general direction of the person. Motives give direction to human behaviour because they are directed towards certain 'goals' which may be conscious or sub-conscious.

Motives or needs of a person are the starting point in the motivation process. Motives are directed towards the achievement of certain goals which in turn determine the **behaviour** of individuals. This behaviour ultimately leads to goal directed activities such as preparing food and a goal activity such as eating food. In other words, unsatisfied needs result in tension within an individual and engage him in search for the way to relieve this tension. He will develop certain goals for himself and **try** to achieve them. If he is successful in his attempt, certain other needs will emerge which will lead to setting a new goal. But if he is unsuccessful he will engage himself in either constructive or defensive **behaviour**. This process keeps on working within an individual.

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## 11.3 NATURE OF MOTIVATION

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Motivation helps in inspiring and encouraging the people to work willingly.

- 1 Motives are the energising forces within us: These forces are invisible and it is very difficult to measure them, because all of us are different and the motives energising us at a **point** differ from time to time. All that is possible is to observe and measure the behaviour we choose and **from** this behaviour make a kind of backward causation statement to the possible motive. **Observing** someone's behaviour may indicate that a certain need is present in this person, motivating him onward.
- 2 One motive may result in many different **behaviours**: The desire for prestige may lead a person to run for political office, give money away, get **additional** educational training, steal, join, groups or may change his outward appearance. A person wanting acceptance will behave differently in a car pool, office secretarial pool, or swimming pool.
- 3 The same behaviour may result from many different motives: Behaviour may be caused by a number of different motives. For instance the motives underlying purchase of a **car** may be: to **appear** younger and attractive; to appear respectable; to gain acceptance from others; to maintain the acceptance already gained through a similar income level; to satisfy economic values and to reinforce company created status differentials. Thus it would be wrong for the manager of an organisation to lump all **behaviour** as coming from the same motive people join unions, get married, attend class, laugh at professor's jokes for many different reasons (motives). Thus a motive cannot be identified from any specific behaviour.
- 4 **Behaviour** can be used as an estimate of an individual's motives: It is possible to get repeated observations of one individual's behaviour and then make an estimate of the cause of that behaviour. For example, there is truth in the statement that some people **always** seem to feel insecure and thus behave continuously in a manner reflecting the **insecurity** of feeling. There **are also** people who behave in away that radiates confidence. They are confident in **many** different social settings so that one finds a constant and

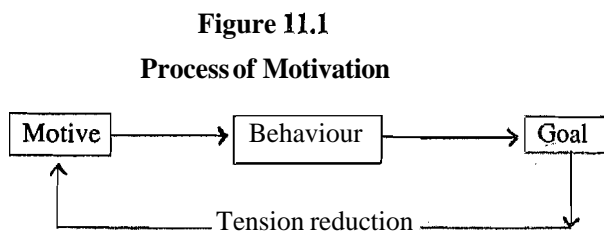
repeated behaviour from which people probably estimate the motive of the person.

Obviously, if a person is at a state of near starvation, most of his behaviour will be related to the need for food. Although it is dangerous to categorise people, it is also wrong to believe that individual behaviour, when looked at in a time perspective, cannot be used as an estimate for motivation.

- 5 **Motives may operate in harmony or in conflict:** Behaviour is frequently the result of the interplay of several motives. These motives may push a person in one direction or in a number of directions. For example, a girl may want to get high grades in school while also wanting to help her mother in the kitchen. An athlete may desire an outstanding performance and may also be sensitive to being shunned by his fellow teammates if he performs too well and receives too much of credit. Behaviour, therefore, is the result of many forces differing in direction and intent.
- 6 **Motives come and go:** It is very rare that a motive has the same energy potential over a long period of time. A young man who prefers to travel during vacation may give up the idea during the football season because the joy of travelling takes second place to the need to play football. The girl who is overly concerned about her hair and clothes during adolescence may turn her attention to other things once she grows up. Because humans are constantly growing, the motive at one point in time will not be as intense as the motive at another point in time.
- 7 **Motives interact with the environment:** The situation at a particular point in time may trigger or suppress the action of a motive. You probably have experienced situations where you did not realize the intensity of your hunger needs until your smelling senses picked up the odour of palatable food. Similarly, many of these sociological needs become stimulated when you are in a situation filled with the sociological factors. Thus needs that may be latent can be quickly stimulated by the environmental situation. We have now identified a number of generalisations that could be useful in understanding the concept of motivation. The topic of human motivation is very complex and is related to other fundamental ideas such as drives and needs so that it is difficult to put our thinking into a clear system of relationships.

## 11.4 PROCESS OF MOTIVATION

The basic elements of the process of motivation are (i) behaviour (ii) motives (iii) goals and (iv) some form of feedback as shown in figure 11.1



**Behaviour:** All behaviour is a series of activities. Behaviour is generally motivated by a desire to achieve a goal. At any moment individuals may indulge in multifarious activities like walking, talking, eating, and so on. They switch over from one activity to another activity swiftly. In order to predict and control behaviour managers must understand the motives of people.

**Motives (Needs/drives/wants):** Motives prompt people to action. They are the primary energisers of behaviour. They are the 'ways' of behaviour and mainsprings of action. They are largely subjective and represent the mental feelings of human beings. They are cognitive variables. They cause behaviour in many ways. They arise continuously and determine the general direction of an individual's behaviour.

**Goals:** Motives are directed toward goals. Motives generally create a state of disequilibrium, physiological or psychological imbalance, within the individuals. Attaining a goal will tend to restore physiological or psychological balance. Goals are the ends which

provide satisfaction of human wants. They are outside an individual; they are hoped for incentives toward which needs are directed. One person may satisfy his need for power by kicking subordinates and another by becoming the president of a company. Thus, a need can be satisfied by several alternate goals. The particular goals chosen by an individual depends on four factors; (i) the cultural norms and values that are instilled as one matures, (ii) one's inherited and biological capabilities, (iii) personal experience and learning influences and (iv) mobility in the physical and social environment.

The dilemma posed by a large number of needs can often be resolved by integrating wants where one activity may satisfy several needs. Researchers have found that many overweight people continue to eat excessively because they have fused the satisfaction of a number wants (Love, Security, Comfort) into the act of eating. Eating, in a way, releases the tension built by the numerous unsatisfied needs.

The process of motivation discussed above implies that individuals possess a host of needs, desires and expectations. All of these needs compete for their behaviour and ultimately the need with the maximum strength at a particular moment leads to activity. When a need is satisfied, it is no longer a motivator of behaviour.

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## 11.5 ROLE OF MOTIVATION

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The following factors contribute to the significance of the role of motivation:

- 1 Managers and organisational researchers cannot avoid a concern with the behaviour requirements of an organisation. Every organisation needs people (in addition to physical and financial resources) in order to function.
- 2 Motivation as a concept is pervasive and a highly complex activity that affects and is affected by a host of factors in the organisational milieu.
- 3 Organisational effectiveness becomes to some degree a question of management's ability to motivate its employees, to direct at least a reasonable effort toward the goals of the organisation.
- 4 As technology increases in complexity, machines tend to become necessary, but insufficient vehicles of effective and efficient operations. In other words, it becomes necessary for an organisation to ensure that it has employees who are both capable of using and willing to use the advanced technology to achieve organisational goals.
- 5 Many organisations are now beginning to pay increasing attention to developing their employees as future resources (for talent bank) upon which they can draw as they grow and develop.

### Check Your Progress A

- 1 Which of the following statements are True and which are False.
  - i) Motives and needs are the 'whys' of behaviour.
  - ii) Motives always operate in harmony and drive individuals in a single direction.
  - iii) To control the behaviour of subordinates, managers must understand their motives.
  - iv) Environment has nothing to do with human motive.
  - v) Motives do not change in intensity over time.
- 2 Fill in the blanks.
  - i) Motives are expressions of a person's ..... and hence they are personal ..... and.....
  - ii) ..... can be used as an estimate of an individual's motives.
  - iii) ..... needs may be quickly stimulated by the environment.
  - iv) Motives are directed towards .....
  - v) Organisational effectiveness is to some degree a question of the management's ability to ..... the employees.

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## 11.6 THEORIES OF MOTIVATION

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Theories of motivation generally aim at analysing the process of motivation and indicating

how to motivate people. We shall discuss here three well known theories of motivation. These are McGeorge participation theory; Maslow's need priority theory and Herzberg's two factor theory.

### 11.6.1 McGregor's Participation Theory

Douglas McGregor's formulated two sets of assumptions about human beings based on the participation of workers. The first set of assumptions are contained in Theory X and the second set of assumptions are contained in 'Theory Y'. In the Theory X, McGregor proceeds with the assumption that the average human being has inherent dislike for work and will avoid it if he can. The managers, of such employees think that "most people must be coerced, controlled, directed, threatened with punishment to get them put forth adequate efforts towards the achievement of organisational objectives." Theory X presumes that people by nature:

- 1 Lack integrity.
- 2 Are fundamentally lazy and desire to work as little as possible.
- 3 Avoid responsibility.
- 4 Are not interested in achievement.
- 5 Are incapable of directing their own behaviour.
- 6 Are indifferent to organisational needs.
- 7 Prefer to be directed by others.
- 8 Avoid making decision whenever possible.
- 9 Are not very bright.

McGregor described Theory X as the traditional theory of what workers are like and what management must do to manage them. Workers have to be persuaded and pushed into performance. Workers can be made to work only through autocratic leadership. After describing Theory X, McGregor questioned if this view of human behaviour is correct. He propounded theory Y which, he felt better represents the human behaviour. Under theory Y it is assumed that people by nature:

- 1 Have integrity.
- 2 Work hard towards objectives to which they are committed.
- 3 Assume responsibility within their commitments.
- 4 Desire to achieve.
- 5 Are capable of directing their own behaviour.
- 6 Want their organisation to succeed.
- 7 Are not passive and submissive.
- 8 Will make decisions within their commitments.

In developing theory Y, McGregor made the following assumptions:

- 1 Engaging in physical and mental efforts — as natural as play or rest. The average human being does not inherently dislike work.
- 2 External control and the threat of punishment are not the only means of directing efforts towards organisational objectives. Men will exercise self-direction and self-control in the service of objectives to which he is committed.
- 3 Commitment to objectives follows the rewards associated with their achievement. The most significant of such rewards namely satisfaction of ego and self-actualisation needs, can be the direct result of efforts towards organisational objectives.
- 4 The average human being learns, under proper conditions, not only to accept but to seek responsibility. Avoidance of responsibility, lack of ambition and emphasis on security are generally consequences of experience and not inherent human characteristics.
- 5 The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organisational problems is widely, not narrowly, distributed in the population.
- 6 Under the conditions of modern industrial life the intellectual potentialities of the average human being are only partially utilised.

The assumptions of McGregor's theory Y suggest a new approach to management. It lays greater emphasis on cooperation between management and workers. The managers following this theory aim at getting maximum output with minimum degree of control. Generally, no conflict is visible between the organisational goals and individual goals. Thus, the efforts of employees which are in their best interest are also in the interest of the organisation. Theory Y has proved to be useful in such management practices as job enrichment, decentralisation and participative management. However these techniques are applicable in organisations where self-motivated, self-controlled mature and responsible people work. According to **McGregor**, researches in the behavioural sciences have shown that the assumptions of theory Y are more valid than the practices of theory X.

Appraisal: McGregor's **contribution** should be analysed in the proper perspective. All that he postulated and sought to dramatise through his theory X and theory Y is to outline the extremes to draw the fencing within which the organisational or enterprise man is seen to behave. No enterprise man would belong either to theory X or theory Y. He shares the traits of both, with emphasis shifting from one set of properties to the other with changing moods and impulses (needs and motives) and with the varying environment.

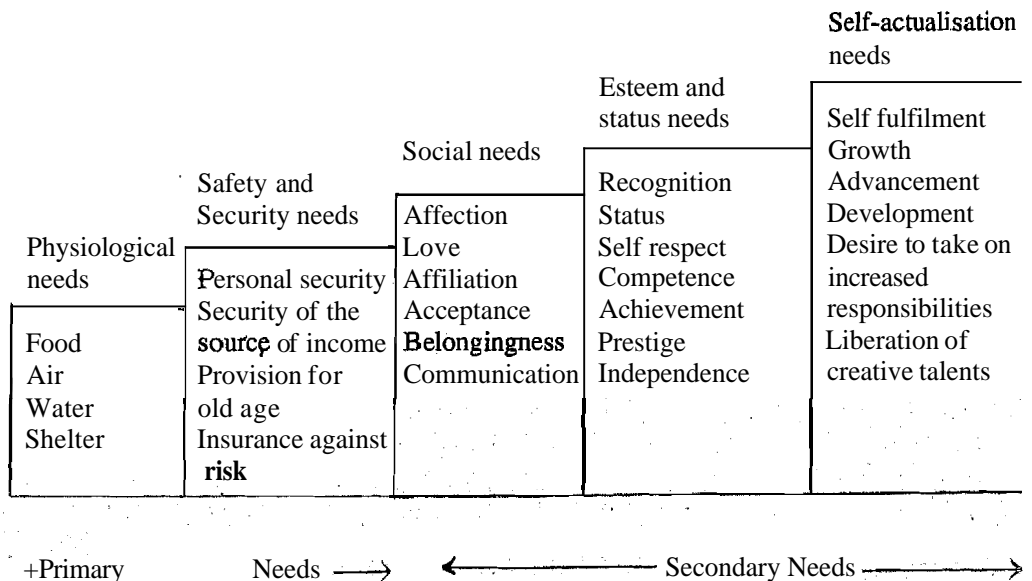
The chief **merit** of McGregor's formulation is that it helped to crystallise and set the right perspective to the findings of Elton **Mayo**, which had then puzzled in management and productivity experts and set in motion a wave of research into the behaviour of the enterprise man. It (alongwith Hawthorne Studies) can be said to have been the starting point and mainspring that evoked wide and lasting interest in the area of motivation, leadership and techniques of manipulating behaviour of the human element of the enterprise.

One might get the impression that theory X is bad and theory Y is good. This is not true because the assumptions under these theories are attitudes or **predispositions** of managers towards people. They are not behaviour patterns. Thus, although the 'best' assumptions for a manager to have may be theory Y, it may not be advisable to behave consistently with these assumptions about human nature, but he may find it necessary to behave in a very directive manner (as if he had theory X assumptions) with some people in the short-run to help to be mature and self-motivated as per Y.

### 11.6.2 Maslow's Need Priority Theory

Maslow's theory is based on the needs of people. Maslow was of the view that the process of motivation begins with behaviour which at least in part, is directed towards the satisfaction of needs. He proposed that human needs can be arranged in a particular order from the lower to the higher as shown in figure 11.2.

Figure 11.2  
Maslow's Need Hierarchy



- 1 **Physiological needs:** The needs that are taken as the starting point of motivation theory **are** the physiological needs. These needs relate to the survival and maintenance of human life. These needs include such things as food, clothing, shelter, air, water and other necessities of life. These needs must be met at least partly before higher level needs emerge. They exert tremendous influence on behaviour. They are the most powerful of motivating stimuli. Therefore, we must satisfy most of them for survival.
- 2 **Safety and security needs:** After satisfying the physiological needs, people want the assurance of maintaining a given economic level. These needs include job security, personal security, security of the income, provision for old age, insurance against risks, etc.
- 3 **Social needs:** Man is a social being. He is, therefore, interested in conversation, social interaction, exchange of feelings, companionship, **recognition, belongingness**, etc. Socialising is one of those reasons why many individuals (especially older people) go to work, and why people generally work better in small groups where they can develop affiliations that are important to them.
- 4 **Esteem and status needs:** These are concerned with awareness of self importance and recognition from others. Most people feel this need to be rated higher than other needs and seek recognition and respect on that account. Satisfaction of esteem needs produces feelings of self-confidence, prestige, power, and control. The fulfilment of **esteem needs** leads to self confidence strength and capability of being useful in the organisation. Whereas inability to fulfil these needs results in feelings of inferiority, weakness and helplessness.
- 5 **Self-Actualisation needs:** The final step under the need priority model is the need for self-actualisation also called self fulfilment or the need to fulfil what one's potentialities for continued self-development and for being creative in the broadest sense of that term. After his other needs are fulfilled, a man has the desire for personal achievement. He **wants to** do something which is challenging and since this challenge gives him enough dash and initiative to work, it is beneficial to him in particular and to the society in general. The sense of achievement gives him satisfaction.

**Maslow** felt that the needs have a definite sequence of domination. The second need does not dominate until the first is reasonably satisfied, and the third need does not dominate until the first two needs have been reasonably satisfied and so on. The other side of the need hierarchy is that man is never satisfied. If one need is satisfied another need arises. According to **Maslow**, if one's lower order needs (physiological and security needs) are not satisfied, he can be motivated only by satisfying these needs first and not by satisfying the higher order needs. Further, once a need or a certain order of **needs** is satisfied, it ceases to be a motivating factor.

The physiological **and** security needs are finite, but the needs of higher order are sufficiently infinite and are likely, **to** be dominant in persons at higher levels in the organisation. Studies have also revealed that those needs which are thought to be most important like social needs, ego needs and self-realisation needs are also the best satisfiers.

Do needs follow a hierarchy

The need priority model may not apply at all times in all places. Surveys in continental European countries and Japan have shown that the **model** does not apply **very** well to their managers. The degree of satisfaction of needs **does not** vary according to the need priority model. For example, workers in Spain and Belgium felt that their esteem needs are better satisfied than their security **and** social needs. Apparently, cultural differences are **an** important cause of these differences. Thus, need hierarchy may not follow the sequence postulated by **Maslow**. Even if safety need is not satisfied, the ego or **social** need may emerge.

The proposition that one need is satisfied at one time is also of doubtful validity. The phenomenon of multiple motivation is of great practical **importance** in understanding the **behaviour** of man. Man's **behaviour** at any time **is** mostly guided by multiplicity of motives. However, **one** or two motives in any situation may be predominant while others may be of **secondary** importance. Moreover, at different levels of needs, the motivation will **be** different. Money can act as a motivator only for physiological and social needs, not for

satisfying higher order needs. Employees are **enthusiastically** motivated by what they are seeking, **more** than by what they already have. They may react protectively to **try** to keep what they already have, but they move forward with enthusiasm **only** when they are seeking something else. In other words, man works for bread alone as long as it is not available.

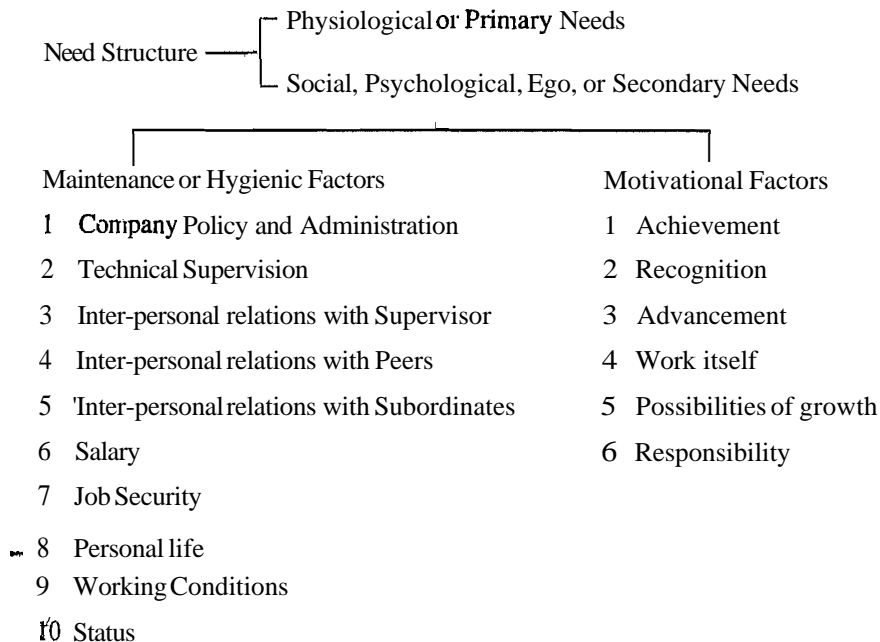
**There** are always some people in whom, for instance, need for self-esteem seems to be **more** prominent than that of love. There are also creative people in whom the drive for creativeness seems to be more important. In certain people, the level of motivation may **be** permanently lower, For instance, a person **who** has experienced **chronic** unemployment **may** continue to be satisfied for the rest of his life if only he can get enough food. Another cause of reversal of need hierarchy is that when a need has been satisfied for a long time it may be under-evaluated.

### 11.6.3 Herzberg's Motivation Hygiene Theory

A significant development in motivation theory is based on the distinction between motivational and maintenance factors in job situation. On the basis of his research findings **Herzberg** drew a distinction between what he called 'motivators' and 'hygiene' factors.

Some job conditions operate primarily to dissatisfy employees when the **conditions** are absent, but their presence does not motivate employees in a strong way. Many of these factors are traditionally perceived by management as motivators, but these **are** really more potent as dissatisfiers. The potent dissatisfiers are called maintenance factors in job because they **are** necessary to maintain a reasonable level of **satisfaction** among the employees. They are also known as dissatisfiers or 'hygienic factors' because they support employees' mental health. Another set of job condition operates primarily to build strong motivation and high job satisfaction but their absence rarely proves **strong** dissatisfier. These conditions are 'Motivational Factors'. Herzberg's maintenance and motivational factors have been shown in the table given below.

Table: **Herzberg's** Maintenance and Motivational Factors



Hygienic factors, include **wages**, fringe benefits, physical conditions and overall company **policies** and **administration**. The presence of these factors at a **satisfactory** level prevents job **dissatisfaction**, but they do not provide motivation to the employees. So they are not considered as motivational factors. Motivational factors on the other hand are essential for increasing the productivity of the employees. They are also known as **satisfiers** and include such factors as **recognition**, feeling of **accomplishment** and achievement, opportunity of advancement and potential for personal growth, responsibility and sense of job and individual importance, new experience and challenging work etc.

**Herzberg** further stated that managers **have** hitherto been very much concerned with hygienic factors. As a result, they have not been able to **obtain** the desired behaviour from



employees. In order to increase the motivation of employees. It is necessary to pay attention to the satisfiers or motivational factors.

According to Herzberg today's motivators are tomorrow's hygiene because the latter stop influencing the behaviour of persons when they get them. When a person gets one thing, then something else will motivate him and the need which has been fulfilled will have only negative significance in determining his behaviour. It should also be noted that one's hygiene may be the motivator of another. For instance it is likely that workers in underdeveloped economies will designate some of the maintenance factors as motivators because their primary needs have not been fulfilled and they continue to be motivated by these factors.

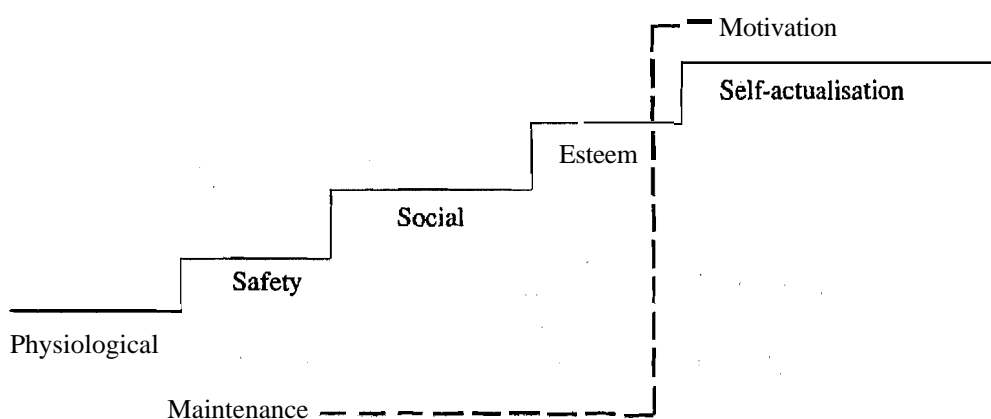
#### 11.6.4 Distinction between Herzberg's and Maslow's Theories

Both Herzberg and Maslow theories focus on motivational factors. Maslow's motivation theory is based on the hierarchy of needs. According to him an unsatisfied need becomes a motivating factor for the individual and governs his behaviour in that direction. But Herzberg has developed a theory of motivation by differentiating between motivational and maintenance (or hygienic) factors. Maintenance factors avoid job dissatisfaction but do not provide motivation to workers. According to him lower order needs like physiological, safety and social needs act as maintenance factors.

Herzberg's theory has a limited applicability in the sense that it is more applicable to professional personnel, Maslow's theory on the other hand has universal applicability, it is applicable to all kinds of workers.

Figure 11.2

#### Relationship between Maslow's and Herzberg's Theories



#### 11.6.5 Relationship between Maslow's and Herzberg's Theories

Though there are differences between the theories of Herzberg and Maslow, still they are related to each other. Most of the maintenance factors of Herzberg come under comparatively lower order needs. Most of these needs remain satisfied and hence cease to be motivating. Maslow's physiological, security and social needs come under Herzberg's maintenance factors while self-actualisation comes under motivating factors. A portion of esteem needs like status becomes part of the maintenance factors and the remaining portion including advancement and recognition comes under motivational factors.

#### 11.6.6 Job Enrichment

Herzberg attached greater importance to job enrichment in his two factor theory. Job enrichment implies enriching the content of job or the deliberate upgrading of responsibility, scope and challenge in work. Job enrichment is a motivational technique which emphasises the need for challenging and interesting work. It suggests that jobs be redesigned so that intrinsic satisfaction is derived from doing the job. In its best application, it leads to a vertically enhanced job by adding functions from other organisational levels so as to contain more variety, and challenge and offering autonomy and pride to the employee.

The term job enrichment should be distinguished from the term 'job enlargement'. Job

**enlargement** attempts to make a job more varied by removing the dullness associated with **performing** repetitive operations. It involves a horizontal loading or expansion **i.e. the addition** of more **tasks** of the same nature. But in jobs enrichment, the attempt is to **build into** job a **higher** sense of challenge and importance of achievement. Job enrichment **involves** vertical loading. Additions in job enrichment require higher levels of skills **and** competence.

Some of the **principles** which make job enrichment effective are:

- 1 Give the workers the freedom of operation and responsibility.
- 2 Managers should have better understanding of what workers really want, They wish **that** their managers feel concerned about the welfare.
- 3 Workers should be consulted and given the chance to offer their suggestions.
- 4 Introduce new and more difficult tasks at each step, giving workers **an** opportunity to learn and **specialise**.
- 5 The workers should be given frequent feedback on their performance. Recognition **and** appreciation of their work induce them to learn more. It also eliminates possibilities of wide variations. This increases the efficiency of workers.

Advantages of job Enrichment

Following are the advantages of job enrichment:

- i) It makes the work interesting.
- ii) It decreases the rates of absenteeism and labour turnover.
- iii) It helps motivation through opportunities for growth and advancement.
- iv) It makes for **task** reinforcement and increases the skill of **workers**.
- v) Workers get higher job satisfaction.
- vi) The enterprise gains through improvement of output both quantitatively and **qualitatively** and higher satisfaction of the workers.

Limitations of job **Enrichment**

Following are the limitations of job enrichment:

- i) Technology may not permit the enrichment of all jobs. With specialised machinery, it may not be possible to make jobs very meaningful.
- ii) Job enrichment has proved to be a costly process in certain cases as the expenditure involved is bigger than the gains in productivity.
- iii) Jobs of highly skilled professional employees contain many challenging elements, but they are not necessarily that much efficient.
- iv) It is difficult to say that all workers really want challenging jobs. Many of them even like to avoid responsibility. They seem to like above all job security and pay.
- v) All **those** who **prefer** job enrichment may not have the requisite capability to meet the new challenges.

**Check Your Progress B**

1 Fill in the blanks.

- i) According to Theory X, workers can be made to work only through ..... leadership.
- ii) Needs that are taken as the starting point of Maslow's **motivation theory** are the ..... needs.
- iii) Lower order needs are..... but the higher order **needs** are.....
- iv) ..... factors also known as **dissatisfiers** are of negative **importance** in motivation.
- v) Job enrichment is a ..... technique.

2 Match the following words/phrases in columns I and II by pairing the alphabets and number against each:

**Column I**

- (i) Hygienic factor
- (ii) Theory X

**Column II**

- a) Increased responsibility
- b) Achievement

- |                     |                               |
|---------------------|-------------------------------|
| iii) Theory Y       | c) Addition of similar tasks  |
| iv) Job enrichment  | d) Salary                     |
| v) Real motivators  | e) Work is as natural as play |
| vi) Job enlargement | f) Dislike of work            |

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## 11.7 TYPES OF MOTIVATION — FINANCIAL & NON-FINANCIAL

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**Motivation** may be classified on various bases:

- 1 Positive or negative
- 2 Extrinsic and intrinsic
- 3 Financial or non-financial

Positive motivation is the process of attempting to influence the employees' behaviour through recognition & appreciation of employees' efforts and contribution towards achievement of organisational goal. Examples of positive motivators **are** — taking interest in subordinates benefits, appreciation and credit for work done, delegating the authority and responsibility of subordinates etc. Negative **motivation** is based upon fear **i.e.** demotion, lay off etc. The fear of punishment affects the behaviour towards changes. Though punishment has resulted in controlling the misbehaviour and contributed towards positive performance but it may also lead to poor performance & lower productivity. The second classification relates to extrinsic and intrinsic motivation. Extrinsic motivators arise away from the job. They do not occur on the job. These factors include wages, fringe benefits, medical reimbursement, etc. Thus, they are generally associated with **financial** incentives. But, intrinsic motivators occur on the job and provide satisfaction during the performance of work itself. Intrinsic or internal motivators include recognition, status, authority, participation, etc.

Lastly motivators may be financial or non-financial. Financial motivators are those which are associated with money. They include wages and salaries, fringe benefits, bonus, retirement benefits, etc. Non-financial motivators **are** those which are not associated with monetary rewards. They include intangible incentives like ego satisfaction, self-actualisation and responsibility. Here we shall be confining our discussion only to financial and non-financial **motivation/incentives**.

### 117.1 Financial Motivation/Incentives

Money plays an important role in motivation. Management generally **make** use of financial incentives like wages and salaries, bonus, **retirement** benefits, insurance, medical reimbursement, **etc.** to motivate the workers. However, such incentives may not always **prove** to be motivating. In many cases, management may have to increase into the financial incentives to keep the workers with the organisation. This can be appreciated from the practice of making wages and salaries competitive between various enterprises so as to attract and maintain good work-force.

Money is a real motivating factor when the physiological and security needs of the workers have not been fully satisfied. Money plays a significant role in satisfying these needs, Therefore, management can use financial incentive for motivation. Money also helps in satisfying the social **needs** of employees to some extent because money is often **recognised** as a symbol of status, respect and **power**. Besides money is an important means of achieving a 'minimum standard of living' although this '**minimum**' has the tendency to go up as people become more affluent. But this should **not** lead one to conclude that money will always be a motivating factor to **all** people. **To** some people, importance of money may be **reduced** after a certain stage, and non-financial rewards may become more **important**. **They are** motivated by money **only** up to the stage they are struggling for satisfying their physiological and security needs.

Money provides for the **satisfaction** of **physiological** and safety needs only which have been called **hygienic** factors by **Herzberg**. Hygienic factors include wages and salaries **and other** fringe benefits. The presence of these **factors** at a satisfactory **level prevents** job dissatisfaction. They **do not** provide 'on a job **satisfaction**' to the employees **and, therefore, cannot** be considered as motivational factors. According to **Herzberg**, in order to motivate **the employees**, it is necessary to provide for **the** satisfaction of ego, **social** and self-

actualisation needs. But these needs are present generally in case of employees in the higher positions, who get higher monetary rewards and are not motivated by increased monetary benefits. In case of employees at the operative levels, money certainly plays a significant role in motivating them because their survival and safety depends on it.

From the above discussion, it can be said that money is not the only motivator and it is not always a motivator: **Management should therefore** establish a motivational system which is capable of satisfying different kinds of human needs. **On the job**, satisfaction can be provided by helping the employees to develop themselves. Job enlargement, participative management, recognition, status symbols, and making the job challenging are some of the other non-financial incentives which also motivate employees.

### 11.7.2 Non-Financial Motivation/Incentives

When the physiological and security needs are satisfied with the help of money, it ceases to be a motivating force; that is why it is regarded as a maintenance factor. Indeed employees have other needs also. They want status and recognition in society; they want to satisfy their ego needs and they want to achieve something in their lives. In order to motivate the employees having these needs, management may use the following non-financial incentives:

- 1 **Competition:** If there is healthy competition among individual employees, groups of employees, it leads them to achieve their personal or group goals. Hence competition acts as a non-financial incentive.
- 2 **Praise or Appreciation of work done:** Recognition of satisfactory performance acts as a non-financial incentive since it satisfies one's ego needs. Sometimes appreciation of work done is more effective than any other incentive. However, this incentive should be used with great care because praising an incompetent employee creates resentment among competent employees.
- 3 **Knowledge of the results:** Knowledge of the results of work accomplished leads to employee satisfaction. A worker feels happy if he is informed about performance. He derives satisfaction when his superior appreciates the work he has done. In modern industry, the production workers have no contact with the consumers and so they cannot get the reaction of the consumers. However, they can be motivated to a greater extent if they are told the rating of their performance.
- 4 **Workers' participation in management:** Participation in management provides strong motivation to the employees. It gives them psychological satisfaction that their voice is heard. Participation in management provides for two-way communication and so imbues a sense of importance.
- 5 **Suggestion system:** Suggestion system is an incentive which satisfies many needs of the employees. Many organisations which use the suggestion system make use of cash awards for useful suggestions. They sometimes publish the worker's name with his photograph in the company's magazine. This motivates the employees to be in search for something which may be of greater use to the organisation.
- 6 **Opportunity for growth:** Opportunity for growth is another kind of incentive. If the employees are provided opportunities for their advancement and growth and to develop their personality they feel very much satisfied and become more committed to organisation goals.

#### Check Your Progress C

- 1 Which of the following statements are True and which are False.
  - i) Negative motivation influences behaviour through the threat of penalty.
  - ii) Intrinsic motivation includes such factors as wages, fringe benefits, etc.
  - iii) Employees participation in management acts as a non-financial incentive.
  - iv) Opportunity for growth is a financial incentive.
  - v) Money can be a motivator to an unlimited extent.
- 2 Fill in the blanks.
  - ij Money is a real motivating factor so long as ..... and ..... needs are not fully satisfied.
  - ii) Positive motivation is based on.....

- iii) Hygienic factors satisfy the..... needs.
- iv) Competition among employees is a..... incentive.
- v) Knowledge of the result of one's performance leads to.....

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## 11.8 LET US SUM UP

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Motivation may be defined as the complex of forces inspiring a person at work to intensify his willingness to use his maximum capabilities for the achievement of certain objectives. Motives or needs of a person are the starting point of the motivation process. Motives are **energising**, invisible forces. One motive may result in many **different** behaviours. Also the **same** behaviour may result from many different motives. Behaviour can be used as an estimate of an individual's motive. Motives can operate in harmony or in conflict. Motives **change** over time. Motives can also interact with the environment.

The basic elements of the process of motivation are : (i) behaviour, (ii) motives, (iii) goals, (iv) some form of feedback or reaction. Behaviour is generally motivated by the desire to achieve a goal. Motives are directed towards goals and **prompt** people to action.

McGregor formulated two sets of assumptions about human beings, which formed the basis of Theory X and Theory Y of motivation. He described **Theory X** as the traditional theory which required workers to be persuaded and pushed into **performance** on the assumption that the average **human** being dislikes work and would, avoid it if he can. He propounded Theory Y based on the assumption that, people by nature love work and can exercise self-direction and self-control in the service of objectives to which they are committed.

Maslow's need priority theory is **based** on needs of people which arise in sequence and **hierarchical** order from physiological needs through security needs, social needs, **esteem** needs and self-fulfilment needs. Herzberg's two-factor theory distinguishes between maintenance or hygienic factors and **motivational factors**, the **former** having only negative significance and the latter having **positive** effect on **motivation**. The absence of maintenance factors like wages, job security, physical conditions of work and such extrinsic elements cause dissatisfaction, but their presence does not **provide** motivation. On the other hand, motivational factors such as recognition, achievement, etc. are essential for **motivating** employees and these factors provide positive incentives.

Herzberg emphasised the **importance** of job enrichment as **one** of the **motivational factors**. It refers to enriching the job content or the deliberate upgrading of **responsibility**, scope and challenge in work. Job enrichment differs **from** job enlargement which involves horizontal loading, that is, addition of **more** tasks of the same nature.

Motivation may be classified on different bases **e.g.** positive and negative, extrinsic **and** **intrinsic**, financial and non-financial. Positive motivation is the process of attempting to influence the employees behaviour through the **possibility** of reward. Negative motivation is based on fear & **threats** i.e. demotion, lay off etc. Extrinsic motivators arise away from the job and are financial in **nature**. Intrinsic motivators are concerned with the state of **self**-actualisation and occur on the job.

Financial motivation refers to motivation induced by **money** or money's worth, like wages and salaries, bonus, medical benefits, etc. Non-financial motivation includes incentives like competition, praise, knowledge of results, **participation** in management, opportunity for growth etc.

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## 11.9 KEY WORDS

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**Behaviour** : Behaviour refers to the series of activities undertaken by **an** individual or a group with a view to achieving stated goals.

**Esteem** and **status** needs : They relate to self-confidence independence, achievement, competence, initiative, success, etc.

**Extrinsic Motivation** : **Extrinsic** motivation **refers** to the incentives which **are** external to the job, such as, salary, fringe benefits, etc.

Financial Incentives : Financial incentives are those which involve money or benefits in kind like wage, salary, retirement benefits, insurance, medical reimbursement etc.

Goals : Goals are the ends which provide satisfaction of human needs.

Intrinsic Motivation : It refers to incentives internal to the job and provides satisfaction during the performance of work itself.

Job Enrichment : It refers to the process whereby a job is enriched in terms of its contents, responsibility, scope, variety and challenge.

Motivation : Motivation refers to the process by which human needs direct and control the behaviour of a human being.

Motives : Motives are the primary energisers of behaviour which prompt people to action.

Motivators : Motivators are associated with positive feelings of employees about the job.

Negative Motivation : It refers to the process of influencing employees' behaviour through fear of losing the job or losing promotion.

Non-Financial Incentives : It includes incentives like status, recognition, challenge in work etc.

Physiological Needs : These needs relate to survival and maintenance of human life, such as, need for food, clothing, shelter, water, rest, etc.

Positive Motivation : It refers to the process of influencing employees' behaviour through the possibility of reward.

Safety and Security Needs : These needs relate to job security, physical security, income security, provision for old age, etc.

**Self-Actualisation** or Self-Fulfilment : It refers to **realising** one's potentiality for continued self-development and for being creative in the broadest sense of the word.

Social needs : These relate to **need** for social incentive, relatedness, companionship, belongingness, etc.

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## 11.10 ANSWER TO CHECK YOUR PROGRESS

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- A 1 (i) True (ii) **False** (iii) True (iv) False (v) False  
2 (i) needs internal (ii) behaviour (iii) latent (iv) goals (v) motivate
- B 1 (i) autocratic (ii) physiological (iii) finite, infinite (iv) **hygienic/maintenance**  
(v) motivational  
2 (i) -d (ii) **f** (iii) -d (iv) -e (v) -b (vi) -c
- C 1 (i) True (ii) False (iii) True (iv) False (v) False  
2 (i) physiological security (ii) rewards (iii) lower-order (iv) non-financial  
(v) satisfaction.

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## 11.11 TERMINAL QUESTIONS

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- 1 Define motivation. Explain its importance to a modern enterprise.
- 2 What do you understand by the term 'motivation'? Point out the difference between positive and negative motivation.
- 3 Explain **Herzberg's** two-factor theory and differentiate it from **Maslow's** theory of Need Hierarchy.

- 4 **Enumerate the** assumptions of **McGregor's** Theory X and Theory Y. Which one is **applicable** in India?
- 5 **What** is meant by hierarchical nature of needs? Is the hierarchy rigid? Discuss with suitable examples.
- 6 "Money holds the key to work motivation **in modern** business organisations." Discuss.
- 7 "**Non-financial** incentives are as strong **motivators as** the financial ones" Critically examine this statement in **the** light of need-priority model and two-factor theory of motivation.

**Note :** These questions will help you to understand the unit better. Try to write answers for them. But, do not submit your answers to University. These are for your practice only.