

Content and Process Theories of Motivation

The major motivation theorists and their relevance to the industry.

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Content Vs. Process Theories

The study of motivation has created two major theoretical bodies of knowledge applicable to the design of employee or channel partner motivation programs: Content Theories and Process Theories. These theories have many applications for incentive program planners.

Content Theories

Content theories focus on the factors within a person that energize, direct, sustain and stop behavior. They look at the specific *needs* that motivate people. Content theorists include Abraham Maslow, Clayton P. Alderfer, Frederick Herzberg and David C. McClelland. Their theories have been helpful in discussing motivation, but not all have been verified through research.

Process Theories

Process theories provide a description and analysis of *how* behavior is energized, directed, sustained and stopped. Four process theories are predominant: Reinforcement, expectancy, equity, and goal setting.

Reinforcement and goal setting theories have been supported by research studies and are viewed as the most helpful in application.

Expectancy and equity theories have become a part of compensation curricula and are considered in the design of compensation plans.

Expectancy and equity theories have not been as thoroughly researched as reinforcement and goal setting theories.

How Content and Process Theories Compare

Content and process theories provide a framework for better understanding motivation and how to apply these principles. The following chart distinguishes between these two overall schools of thought.

Content Theories	
Description	Focused on factors within a person that energize, direct, sustain and stop behavior. These factors can only be inferred.
Proponents	... Maslow: Five Level needs hierarchy ... Alderfer: Three level hierarchy (ERG) ... Herzberg: Two major factors called "Hygiene Motivators" ... McClelland: Three learned needs acquired from culture: achievement, affiliation, and power.
Implications Because individuals are unique in many ways, managers need to be aware of their different needs, desires and goals.	

Process Theories	
Description	Describes, explains and analyzes how behavior is energized, directed, sustained and stopped.
Proponents	... Skinner: Reinforcement theory concerned with the learning that occurs as a consequence of behavior. ... Vroom: An expectancy theory of choices ... Adams: Equity theory based on comparisons an individual makes ... Locke: Goal setting theory that conscious goals and intentions determine behavior
Implications Individuals make choices based on preferences, rewards and accomplishments; therefore, managers need to understand the process of motivation.	

Implications Of Content Theories For Program Designers

Content theories focus on individual needs in explaining job satisfaction, behavior and reward systems. The basis of these theories is that individual need deficiencies activate tensions within a person that trigger a behavioral response. That is, when individuals are not receiving what they perceive they need, they will attempt to satisfy that need. These theories suggest that:

Specific needs trigger desired behaviors. Implications: How do we identify these needs?

Meaningful rewards help individuals satisfy needs. Implications: How can we understand these needs to maximize the motivational impact of the programs we design?

Offering appropriate rewards can optimize performance.
Implications: How can we ensure that the rewards we offer are appropriate?

The needs of an individual will not necessarily repeat themselves in a regular pattern: People change because of experiences, life events, aging and other factors. Implications: How can we design our programs to satisfy changing needs?

Process Theories Of Motivation

Process theories attempt to explain how behavior is energized, directed, sustained and stopped. The four major process theories include Reinforcement, Expectancy, Equity, and Goal setting.

Reinforcement Theory

Most often linked with reinforcement theory is the work of B.F. Skinner. Skinner's work is built on the assumption that behavior is influenced by its consequences. These consequences are referred to as "operants," and so this theory uses the term "operant conditioning." Behavior modification is used to describe the learning by reinforcement of an individual. Reinforcement theory is based on several principles of operant conditioning:

Positive reinforcement. Anything that increases the strength of response and induces repetition of the behavior that preceded the reinforcement (adding something positive).

Negative reinforcement. The removal of a negative reinforcer that increases the frequency of response (taking away something).

Punishment. An undesirable consequence of a particular behavior (adding a negative consequence or removing a positive consequence).

Extinction. Decline in response rate due to non-reinforcement (ignoring).

"ABC" Analysis

A behaviorist (such as Skinner) focuses on specific behaviors, not intangibles such as needs, motives and values. Behavior modification has as its basis in the "A-B-C" analysis. A-B-C stands for *antecedent - behavior - consequence*. This analysis attempts to determine where the performance problems lie. The ABC's are represented in the Behavioral Model, shown next.

Behavioral Model



The Behavioral Model

Organizational behavior modification (OBM) research emphasizes the scientific approach. There has been empirical research on OBM, and researchers have generally found strong evidence that OBM was making a positive contribution to organizational behavior. Employee behaviors appear to improve more often than not when OBM is being used.

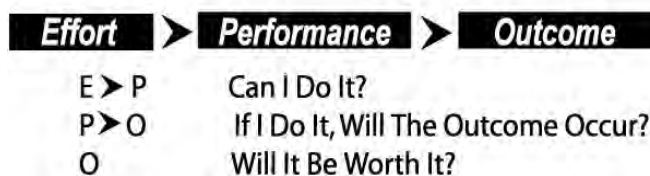
Critics of behavior modification claim that behavior does not change, that reinforcers do not work, and that they amount to bribery. This is true if the program includes an illicit use of rewards to corrupt one's conduct. Reinforcement, on the other hand, focuses on behaviors that benefit both the person and the organization.

One criticism of this behavioral approach when applied to incentive programs is the concern that individuals can become too dependent on extrinsic reinforcers, so that when a reinforcer is removed, the behavior stops. Studies, however, do not support this, and in any case, the typical objective of behavior modification is to gradually remove or change the reinforcer on a planned schedule, while maintaining the behavior.

Expectancy Model

The Expectancy Model looks at how likely it is that the performance and outcome will occur. An individual makes voluntary choices about: (1) whether the job can be accomplished, (2) whether the outcome will occur as a result of performing and (3) whether the outcome will be desirable.

Expectancy Model



Although there have been many studies testing this model, the type and makeup of the studies raise the issue of whether the results can be generalized. As a result, there are major problems in the application of the theory. Also, the complexity of the model makes it difficult to understand. Nonetheless, it is a theory that is commonly used in the compensation field and is therefore relevant to the discussion of incentive programs.

Equity Theory

Equity theory is based on the assumption that employees compare their efforts and rewards with those of others in similar work situations. This theory hypothesizes that individuals are motivated by a desire to be treated equitably at work.

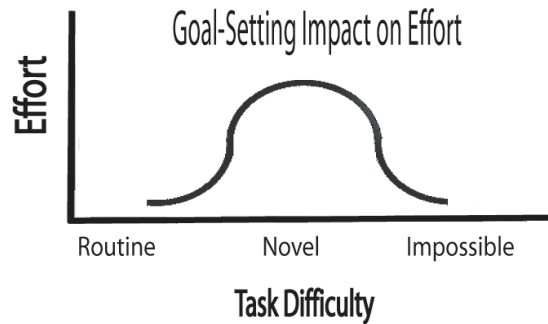
Equity theory can be viewed as comparing the effort expended and resulting rewards of one person to the effort expended and resulting rewards of a referenced person. If these are viewed as equal or appropriate, then the first person feels the treatment is fair and is motivated.

Goal-Setting Theory

Goal Setting theory, developed by J. Stacey Adams, a research psychologist working for General Electric, is considered by many researchers to be too restrictive and incomplete to be useful for general application. Its value is in causing reward system designers to include the participants' perception of fairness in the reward system design process.

Goal setting theory is based on the hypothesis that specific goals lead to better performance than do vague goals. Research supports this hypothesis. The clear implication for managers is that getting employees to set and strive to attain specific, relatively challenging goals can generate a strong motivational force.

One finding of the research is the relationship of task difficulty and effort. In general, effort increases as task difficulty (goal) increases. However, there is a point at which the task is perceived as being too difficult and the effort actually decreases. This is represented by an inverted "U" curve, as shown in the following diagram:



The motivation implication is that the setting of baselines and targets is critical to the individual's decision to exert effort toward the goal. The graph depicts effort as increasing as the goal and task difficulty increase, but only to a point. Once the task is perceived as impossible, an individual reduces his or her effort. Although goal setting can be difficult to sustain in large, complex organizations, getting employees to set and strive to attain specific and challenging, yet achievable goals can generate a strong motivational force.

Implications of Process Theories

Implications of process theories include the following:

- Establishing goals to direct behavior is an important part of a motivational program.
- Motivational programs should be perceived as equitable and deliver desirable outcomes the individual has an expectation of achieving.

Since these theories have received most of the attention from researchers and have the most supporting data, they offer the strongest foundation for the motivation and performance improvement industry (particularly the reinforcement and goal-setting theories).

Intrinsic And Extrinsic Rewards

No discussion of motivation would be complete without addressing the specific issue of intrinsic and extrinsic rewards. The starting point is to define these terms:

Intrinsic. Rewards that are part of the job itself, i.e., responsibility, challenge and feedback; or rewards that are self-administered.

Extrinsic. Rewards that are external to the job, i.e., pay, promotion, fringe benefits or tangible awards; or rewards that are administered by someone else.

Research Studies Related To Intrinsic and Extrinsic Motivation

There are three research studies that help us to understand intrinsic and extrinsic motivation. These include:

- *“Punished by Rewards: The Trouble With Gold Stars, Incentive Plans, A’s, Praise and Other Bribes,”* (Boston: Houghton Mifflin, 1993) by Alfie Cohn.
- *“Rewards, Interest and Performance: An Evaluation of Experimental Findings,”* ACA Journal, 1997, Vol. 6, No. 4, pp. 6-15, by Judy Cameron, Ph.D., and W. David Pierce, Ph.D.
- *“Evaluating Employee Compensation,”* California Management Review, fall 1988, pp. 23-39, by R. Kanungo and M. Mendoca.

These studies found no scientifically based results to clearly substantiate that extrinsic rewards have a negative effect on intrinsic motivation when there are specific goals and the reward is tied to achievement of the performance goal. Additionally, the use of the current intrinsic and extrinsic definitions can be difficult to research. One reason is their definitions are not sufficiently exact for consistent interpretation by research subjects.

The Reward System Effectiveness Model

Other findings are more useful. These findings have identified the characteristics of effective motivators rather than trying to classify them as intrinsic or extrinsic. The common characteristics of effective motivators were found to be: (1) Salience; (2) Value; and (3) Performance Contingency.

One topic that needed to be addressed is the perennial question: “What motivates people?” There have been many theories and studies on this question, with extrinsic versus intrinsic motivation often at the center of discussion. Which is more powerful, or which is really the source of a person’s actions, has been the subject of the debate.

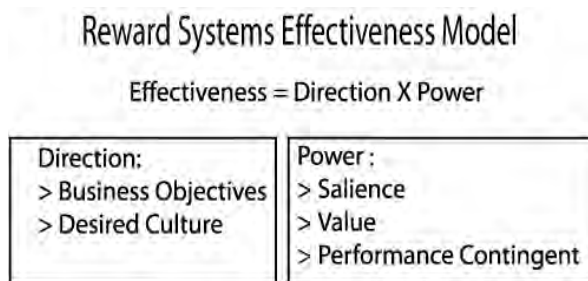
A study by Dr. Rabindra N. Kanungo, professor at McGill University (Montreal, Canada) has provided an important insight into this debate. He found that individuals could not consistently differentiate between intrinsic and extrinsic motivation. The available definitions were not consistently interpreted or applied.

However, he noted that his studies found that individuals would describe their ‘motivators’ by three consistent characteristics: salience, value, and performance contingency.

This study sidesteps the intrinsic-extrinsic debate (and confusion) by focusing on these three characteristics of a potential motivator, regardless of any intrinsic or extrinsic classification. This approach allows the evaluation of the motivational value of almost any reward as part of a reward plan.

The resultant model has become both a descriptive and prescriptive tool in the assessment and design of organizational reward systems, as well as specific incentive plans:

Reward System Effectiveness Model: Effectiveness = Direction X Power



Direction. This communicates what the organization wants and is directly tied to the *business objectives* and *desired culture*. To be effective, a reward system (or plan) must be aligned with these two organizational “directional” components.

Power. A reward system needs to have impact and energize the participants. It is the “power” component of the model that addresses this factor. Studies have identified three variables that influence a reward system’s “power”:

1. **Salience:** Is the reward system, and especially the reward, top of mind with the participants? Are they aware of it and do they think about it?
2. **Value:** Do the participants value the reward?
3. **Performance Contingent:** Is the reward contingent on the requested performance?

This research project was paralleled by the work of the Consortium on Alternative Reward Strategies Research (CARS) which is a longitudinal study that includes over 600 reward plans and has been ongoing for over six years. The study's focus was on group reward plans that included non-management employees and were in place more than one year. Its objective was to find out what works, and why. The findings have been published and presented at conferences. The primary findings were that the most effective group reward plans are those having these characteristics:

Plans with management support were more successful.

Plans with more intensive communications, feedback and involvement reported lower award payouts. The researchers suggest, "the more an organization communicates, listens and involves employees, the less important the size of the award."

The rewards were just one part of a total strategy to improve performance, a strategy that also included communications, employee involvement, feedback and financial justification of the plans.

Accounting For Differences In What Motivates Individuals

In "Work Motivation: The Incorporation of Self-Concept-Based Processes," published in *Human Relations* (1999) Nancy Leonard, Laura Beauvais and Richard Scholl laid out five propositions that shed light on how to understand audiences. They proposed five basic types of motivation and that one or more may be dominant within individuals, or that one or two may struggle for dominance. Because of these differences between the ways different people are motivated, each type of individual will react differently to the same situation, suggesting that program design should account for all motivation types, covered next.

1. Intrinsic Process Motivation

These people get engaged with projects they consider fun, and will even stray away from more important projects toward tasks they feel are more enjoyable. These types of people are relatively indifferent to feedback, so planners have to take into account the fact that a certain percentage of the audience will respond best when the program appeals to their desire for fun and enjoyment. These people respond best to a sense of task value.

2. Extrinsic/Instrumental Motivation

These people respond best to direct incentives. They need to feel that their efforts will yield some kind of material reward and will only sustain effort in the presence of such opportunities. In task planning, these people tend to look at the processes most likely to yield the reward. With these types of people, planners have to be cautious that employees don't focus so much on the reward that they engage in otherwise negative processes that could have long-term damage, such as deceiving a customer about a product's attributes or cutting-corners in a production process. For these people, reward and recognition count the most.

3. External Self-Concept

These people thrive on public recognition and are sustained by getting positive feedback as to their abilities and contribution. They respond when they feel accountable for success or failure since they will strive for recognition for success and fear the opposite. They will therefore focus on tasks with the best likelihood of giving them positive social feedback, and they will want to take credit for their contributions. For them, public recognition motivates.

4. Internal Self-Concept

These people are driven more by their own perceptions of success, rather than those of others. These people don't want to take credit for their contributions publicly, but get satisfaction from knowing they've contributed to success. They may not respond directly to public recognition, since that is not their primary goal, but will respond to input that reaffirms the inner traits, strengths or characteristics that make them proudest. For these people, a sincere pat on the back from someone they respect might have the most impact.

5. Goal Internalization

People motivated this way seek satisfaction through the achievement of goals, because of the importance of the goals and not because they desire rewards or public recognition. These people will continue to strive toward a goal as long as they believe in it and judge that there is progress toward success. For them, the achievement of a desired goal is satisfaction enough. This approach does not suggest that all people fit into one form of motivation group. In fact, the researchers stress that people can fall into at least two groups at the same time. What it suggests is that the best programs assume that all types of individuals exist within the audience, and so the program should address the needs of all at the same time, if possible.

Practical Implications

The implications of these theories and studies are varied. Motivation planners should have an understanding of the major theories and the most recent research studies and articles. For example, although the Behavioral Model provides a foundation for incentive program design, the other theories, particularly the process theories, also offer insights into motivation.

The Expectancy and Equity Theories focus attention on the rule structure process:

- Is the reward achievable and valued?
- Are the structure and rewards perceived as fair by the participants?

Goal-setting theory is valuable to incentive program design. Are the baseline, goal and/or target set appropriately?

Individuals vs. groups can be motivated by (extrinsic) rewards. The issue then is whether the rewards are perceived as valuable and whether they are tied to the appropriate behaviors and results.

Performance improvement processes constitute a system – the theories support the rationale that motivation is one element of the performance environment, but not the only one.

Process theories are the most practical motivational theories, which hold that people can be motivated by external events and performance will continue if it results in something valued by the performer.

The Behavioral Model (A-B-C) is one tool to guide program design. Antecedents need to be clear and establish the desired behavior and performance expectations. Communications and learning are antecedents to behavior and performance. Positive reinforcement is a powerful consequence and, appropriately applied, causes behavior to be repeated. In addition:

- Measurement and feedback are essential to improving performance.
- Award plans need to be perceived as fair and achievable.
- Goal setting is a critical element in motivating effort.
- Characteristics of effective motivators are salience, value and performance sensitivity.

Finally, programs should take into account that there are different types of people, motivated in different ways, so that one single approach likely will fail to reach everyone. To cover all of the motivational bases, a program would have to include the opportunity:

For extrinsic rewards: material incentives.

For intrinsic rewards: personal satisfaction for success.

To pursue tasks that are enjoyable: Whatever organizations can do to improve task value can contribute significantly to motivation.