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## *THE BASIC EMPLOYEE MOTIVATION THEORIES AND THE THEORY OF INTEREST*

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### **Abstract**

Motivation is a process that mobilizes a human to achieve a goal related to the satisfaction of one's needs. Motivation in a working place is the means to increase the quantity and quality of labor. There are a few theories of motivation which will be presented through this paper. The theory of interest is a contemporary theory that will also be analyzed in the present paper.

**Key words:** Motivation, interest, labor, reward.

### **Introduction**

The employee motivation aims to the understanding of their needs, the way they think and react and not to control the employees' will.

The motivation can be simply presented through figure 1 which indicates how the needs act as behavior motives towards specific targets. Those targets' satisfaction leads to the behaviors repetition for further need's satisfaction.

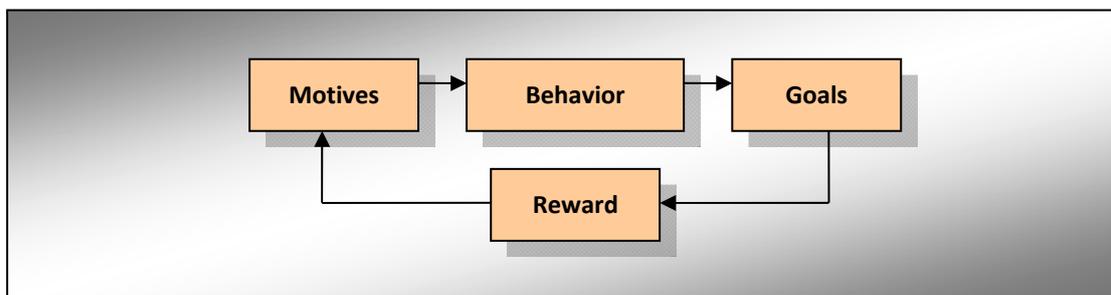


Figure 1. Operation of motivation

The reward gained for achieving a goal operates as a motive for a repeated behavior when needing to achieve that goal again. Several theories attempt to describe the motivation mechanism in order to increase the employees' performance. Most of them search the way that an employee's need satisfaction will maximize their efforts./ The following are the most important theories:

#### **Abraham Maslow: The theory of needs' hierarchy**

There are theories<sup>17</sup> regarding the human needs and their role in behavior. One of the most successful was developed by Abraham Maslow (1943).

Maslow did not agree that human behavior is driven by a series of independent urges. He tried to discern continuity and congestion in the human behavior so he developed a theory which scrutinizes the human needs. Maslow declares that:

Humans are motivated by their needs as they are perceived.

Needs should not be examined individually.

The hindrance of a need at any level leads that level as a major one.

Needs are graded<sup>18</sup> in the following order:

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<sup>17</sup> According to McDougall's book «*Introduction in Social Psychology*», 1908 (σελ 172-181), the human behavior is dominated by instincts such as curiosity, tendency to leave, independence etc.

Freud in his book «*Civilization a source of unhappiness*» notes (p.19) that happiness is the satisfaction of human urges, or else needs that live in the sub conscious.

*Physical needs:* needs for food, water, shelter, sex.

*Safety needs:* needs for safety and constancy.

*Love and belonging needs:* needs for love, belonging, friendship.

*Esteem needs:* needs for recognition, social status, self esteem and self respect.

*Self actualization:* needs for self development, success and progress.

The physical needs are the prime human needs. As soon as the physical needs are satisfied the human turns to the next grade. Since a grade's needs are satisfied they are not a motive anymore and the interest is set to the next grade.

This is normal since the human first tends to find the basics for survival such as air, food, water and shelter. Since these needs are satisfied the human tends to secure this satisfaction in the future (safety needs). Having secured the basics in the reasonable future the human turns to the love needs to ensure his socialization since humans are social beings. Being a member of a society can only lead to the search for esteem, respect and power that are described in the fourth grade of needs. After a human has enough goods, feels safe, lives in harmony in an environment where he is respected, he can then turn to improve himself, create the perfect him and cover the self actualization needs.

Maslow's theory leads to a specific thinking regarding how to use the needs as a motivation. The satisfaction of needs is the actual motive so developing a specific need, creates a motive for the desired satisfaction.

#### **Frederick Herzberg: The two factor motivation theory**

Frederick Herzberg in 1959 conducted a research on two hundred employees in Pittsburg, with two questions referring to critical incidents that made them happy and incidents that made them sad in their work<sup>19</sup>. The findings' analysis indicated three conclusions:

1. The employees were dissatisfied, when the following factors were poor:

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<sup>18</sup> Η schematic presentation of that theory is made with Maslow's pyramid. («*Οργάνωση και Διοίκηση*» του Ζάβλανου Μ. Εκδ. Ίων, Αθήνα 1990», σελ 17-21) For more information see Maslow's "*Motivation and Personality*" Harper & Row N.Y. 1970, where the enterprise discovers the employees' needs and via their satisfaction gains better performance.

<sup>19</sup> Herzberg F. Mausner B. And Snyderman B. "The Motivation to Work" 2nd Edition, N.Y. John Wiley 1959

- Wages
- Security
- Working conditions
- Social status
- The company's policy
- Supervision quality
- Regulations
- Working relations

Herzberg indicated that those factors should be fully covered in order to keep an employee and improve his performance. Those factors are not motives to improve the working outcome but they are important in maintaining a healthy working environment which increases the labor's fruitfulness.

On the other hand some other factors satisfy the employees and they are related to the employee and his work. These factors are:

- Happiness
- Recognition of the performance
- Achievements on the job
- Allocation of responsibilities
- Promotion
- Feeling important

Those factors are named «motivational» since according to Herzberg they function as motives for the increase of the employees' performance.

### **Victor Vroom: The theory of expectation**

According to Vroom<sup>20</sup> η the power of motivation depends on:

The degree of the employees' belief that their increased effort will lead to increased performance,

The degree of the increase of the performance will lead to increase in the reward and

The degree of those employees' desire these rewards.

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<sup>20</sup> Vroom V.H. *“Work and Motivation”* N.Y. John Wiley and Sons Inc. 1964

The employees try to offer higher quality and quantity of labor according to their expectation these efforts will lead to higher productivity, recognition from the enterprise and equivalent rewards

Based on that thinking Vroom developed a function to estimate the motivational power according which:

$$M = F_i (E \times R)$$

Όπου  $Y$  = Motivation

$\Pi$  = Expectation

$A$  = Rewared

Vroom determines the reward as internal ones (feeling of success, development, actualization) and the external such as wages, benefits and promotion.

Each reward has its meaning for each employee and can be positive if there is offered a benefit or negative if it is to avoid a loss. Positive reward is a productivity bonus and negative is the avoidance of a penalty for late arrival. The positive reward improves the working conditions and the negative one prevents a loss maintaining the original reward state. As Vroom indicates the reward can be layered on levels, which lead from the first to the next etc. The first level reward such as a promotion can lead to the second level such as improved social status and then lead to a third level such as improved family relations.

In order to improve the performance the employees should work in a state of balance. Thus the enterprenual goals should match the social ideas and the operation should serve the enterprenual goals.

### **Stacy Adams: theory of equity**

Stacy Adams indicated that the employees have a strong feeling of justice and they tend to treat their work positively when they are equitable, though they tend to treat their work negatively when they are inequitable. That is why they compare their performance and rewards with those of their colleagues.

As performance is noted the quantity and quality of the offered labor and the comparison can be made among colleagues of the same position (eg. waiters), or different positions and same level (eg. the manager and the executive chef). As a reward is noted anything provided by the company

such as wages, bonus, parking, meals on duty, accommodation, mobile phone, car, status, promotion, and the social recognition.

According to Adams, the employees estimate the level of their performance (P) and the reward (R) forming an index of equity (IE), where:

$$IE = \frac{P}{R}$$

The next step is a comparison among one's self index (s) with the colleagues' index (c). There are three possible outcomes:

$IE_s = IE_c$

$IE_s > IE_c$

$IE_s < IE_c$

In the case where  $IE_s = IE_c$ , and the self index is equivalent with the colleagues index the employee feels equitable to his colleagues and feels being managed fairly so he does not mobilize himself to change the performance.

In case  $IE_s \neq IE_c$  the employee feels he is treated unfairly so he mobilizes to achieve equity.

In the case where  $IE_s > IE_c$ , the employee's index is lower than the colleagues' index and the employee feels anxious and insecure and tries to improve those feelings by increasing his efforts for performance or changing his perception about that situation.

In the case where  $IE_s < IE_c$ , the employee's index is higher than the colleagues' index and the employee feels inequitable. There are two possible reactions, either to decrease his efforts and performance or claim higher rewards. In case that none of these are fruitful the employee will change his internal balance and his perception of his work. If the inequity is strong the employee may increase the absences or even leave.

According to the theory of equity the employees do compare their rewards with the rewards of their colleagues. Thus the enterprise should track the employees' performance and adopt a just reward system.

### **B. Skinner: The reinforcement theory**

Skinner refers to «reinforcement» meaning the impact that follows a specific behavior. The reinforcement can be positive when the impact is positive or negative when the impact is negative.

As Skinner indicated the negative and positive impact of each behavior can lead the employees to repeat or avoid that behavior. That means:

A positively reinforced behavior (with positive impact), leads the employee to repeat it

A negatively reinforced behavior leads the employee to avoid it

Gradually, the employee learns to repeat or avoid specific behaviors according to the previous reinforcement. That leads to the conclusion that the employee's behavior is dependant to the management's confrontation.

The positive reinforcement is adjusted to rewards. There are regular rewards that are given at regular intervals or non regular rewards. The non regular rewards havew the stronger motivating power..

### The theory of interest

The employee can offer his labor efforts in several levels of quality and quantity. The degree of his performance is based on two factors. What the employee is able and what he is willing to offer. In other words the factors are the employee's abilities and interest about his work.

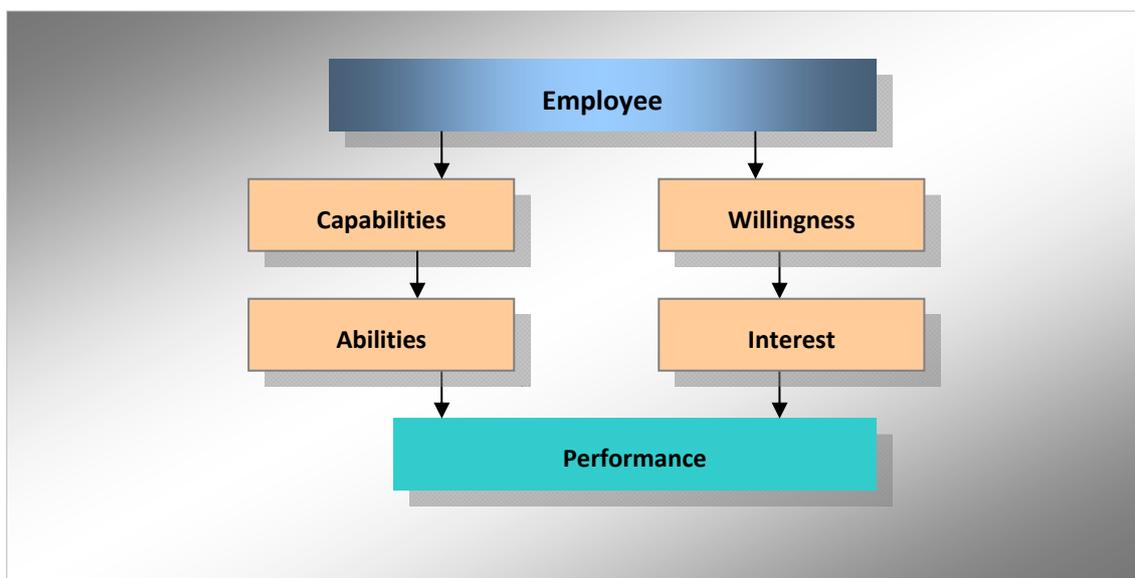


Figure 2. Basic factors that impact upon the employee's performance

The employee's capabilities are determined by his physical, mental and spiritual characteristics. A person inputting all of those characteristics, enthusiasm and devotion can display a remarkable performance. In this case the employee confronts the enterprise as his own and acts accordingly in any given situation. This employee, suggests concepts, takes initiatives, executes a task in the best

possible way, he is kind, voluntary and positive towards the customers, cooperative with his colleagues and does his best to improve the operational efficiency.

The employee's capabilities should cover three fields:

Technical capabilities and knowledge related to their profession.

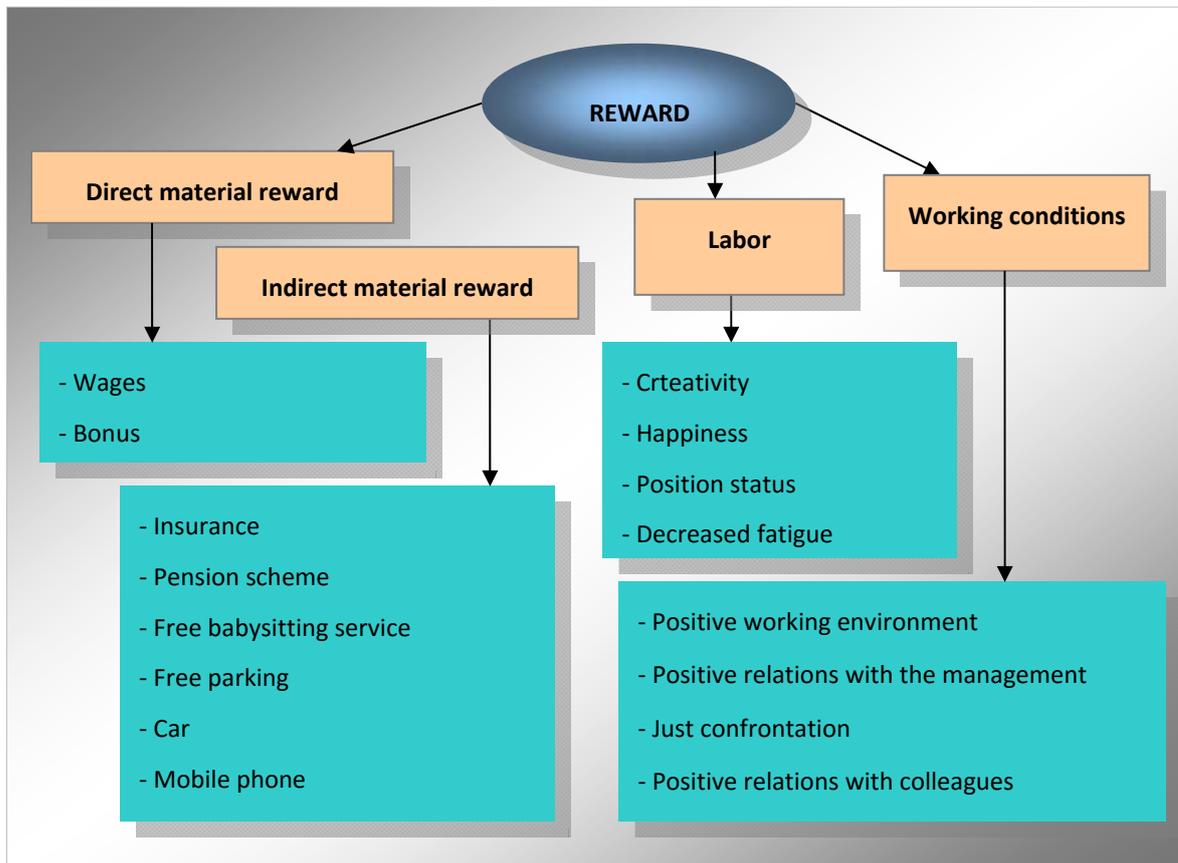


Figure 3. The wider meaning of reward

Human capabilities related to communicating with humans.

Mental capabilities, such as swift perspective, organizing manners and combining details. The employees should be able to view their work as a total and overcome any problems before they are noted by an external person.

The employee's interest is related to the expected reward. The benefit may be an avoidance of damage. Being employed in a position of interest is a benefit as much as not being fired from a position of interest. The reward may be material or non material.

As material rewards are the ones offered in money or any other material benefit. The direct material rewards are the wages earned, bonuses and paid holidays. Indirect material rewards are insurance benefits, a mobile phone or a car.

The non material reward is any reason for which the employee feels satisfied for his effort or any reason that does not cause damage. The non material reward refers to the way the company affronts the employee or even the working conditions.

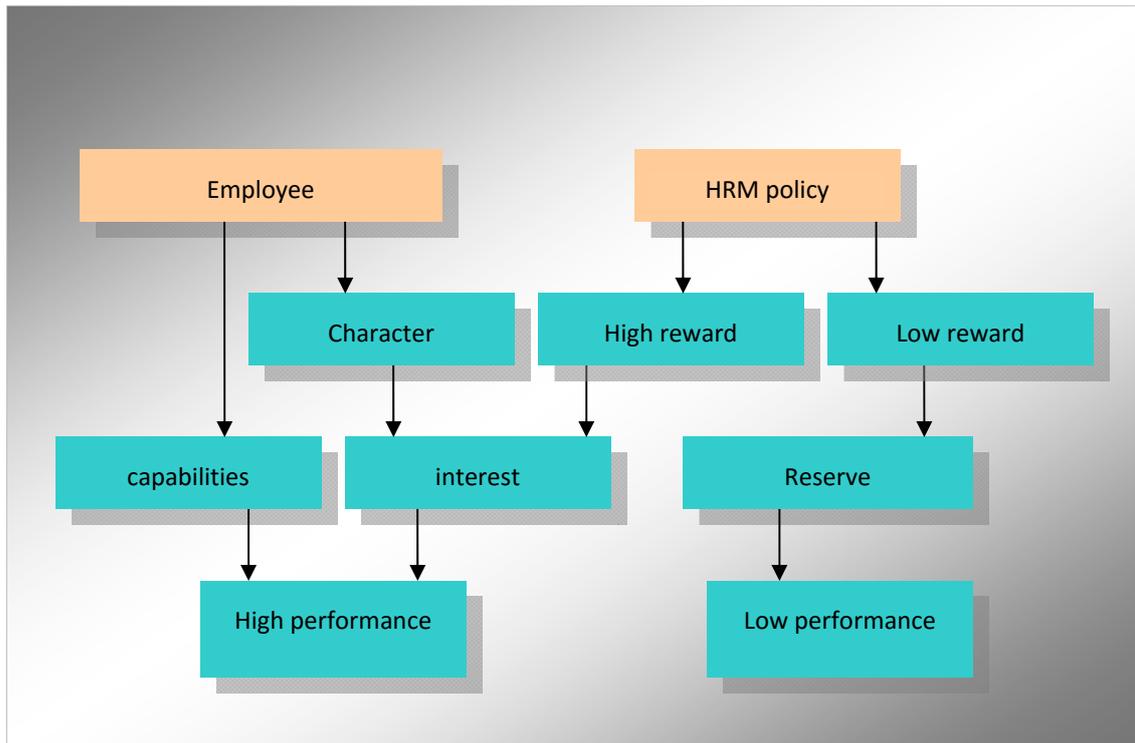


Figure 4 Basic factors affecting the labor efficiency

The material reward plays a key role in the sum of the employee's quid pro quo. The employee tends to lose faith in the management if the reward is solely non material. In this case the company recognizes the employee's efforts, hence the employee is dissatisfied. The employee receives the message that his effort has produced profits for the company and thus he should get a payrise.

Each employee reacts in a specific way. Their character, personality and financial status determine their reaction to a reward system. For instance an employee may be interested in a mobile phone granted by the company but another person may not. The first person will demonstrate some interest in his work though the second will demonstrate disregard

The HRM policy will determine the total of the material and non material reward in an enterprise. This reward system can play a significant role in the labor efficiency as can be seen on figure 4.

Since the enterprise attempts to achieve high performance from the employees, there will be a number of problems that are related to the employees' professional experiences. The employees tend to be reluctant till negative towards the managerial intentions and it takes time for them to be convinced. It is often that employees try to receive the highest reward for the minimum of effort. Some cases the employees perceive that the company is dependent on them and that is shown through a scheme of high rewards. Thus the reward system should be tightly fastened to the employees' performance.

### **Conclusions**

Fundamental motive to the human behavior is the interest, which is presented as a constant and positive mood for specific activities. The interest's analysis can reveal when the interest is externalized the cognitive, emotional and volitional functions participate in that process . The interest is found where there is a potential benefit.

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