

Expectancy Theory

Motivate Your Team by Linking Effort with Outcome

As we are constantly predicting likely futures, we create expectations about future events. If things seem reasonably likely and attractive, we know how to get there and we believe we can 'make the difference' then this will motivate us to act to make this future come true.

In other words, if people expect a positive and desirable outcome, they will usually work hard to perform at the level expected of them.

If we trust this relationship between expectation and outcome, then motivating people should come down to three things:

1. Effort – encouraging the belief that making more effort will improve performance.
2. Performance – encouraging the belief that a high level of performance will bring a good reward.
3. Outcome – making sure that the reward is attractive.

When these variables are high, we expect motivation to be high: The formula is quite simple. The tricky part is creating, and maintaining, a strong link between high effort and high performance.

What is Expectancy Theory?

The expectancy theory says that individuals have different sets of goals and can be motivated if they have certain expectations.

This theory is about choice, it explains the processes that an individual undergoes to make choices. In organizational behavior study, **expectancy theory** is a motivation theory first proposed by Victor Vroom of the Yale School of Management.

The expectancy theory of motivation suggested by Vroom, unlike Maslow and Herzberg, does not concentrate on needs, but rather focuses on outcomes. Whereas Maslow and Herzberg look at the relationship between internal needs and the resulting effort expended to fulfill them, Vroom separates effort, which arises from motivation, performance, and outcomes.

Vroom, hypothesizes that in order for a person to be motivated that effort, performance and motivation must be linked. Vroom suggested that the relationship between people's behavior at work and their goals was not as simple as was first imagined by other scientists. Vroom realized that an employee's performance is based on individual factors such as personality, skills, knowledge, experience and abilities. A number of factors can contribute to an employee's expectancy perceptions:

- the level of confidence in the skills required for the task,
- the amount of support that may be expected from superiors and subordinates,
- the quality of the materials and equipment,
- the availability of pertinent information.

Vroom's Expectancy Theory is based upon three variables or beliefs that he calls Valence, Expectancy and Instrumentality:

Valence: *"Is the outcome I get of any value to me?"* It refers to the emotional orientations which people hold with respect to outcomes [rewards]. The depth of the want of an employee for **extrinsic** [money, promotion, free time, benefits] or **intrinsic** [satisfaction] rewards. Management must discover what employees appreciate. For the valence to be positive, the person must prefer attaining the outcome to not attaining it. Vroom's theory suggests that the individual will consider the outcomes associated with various levels of performance, from an entire spectrum of performance possibilities, and elect to pursue the level that generates the greatest reward for him or her.

"What's the probability that, if I do a good job, that there will be some kind of outcome in it for me?"

Expectancy: The belief that “*I am able to complete the actions*”. Employees have different expectations and levels of confidence about what they are capable of doing. **Expectancy** refers to the strength of a person’s belief about whether or not a particular job performance is attainable. Assuming all other things are equal, an employee will be motivated to try a task, if he or she believes that it can be done. This expectancy of performance may be thought of in terms of probabilities ranging from zero (a case of “*I can’t do it!*”) to 1.0 (“*I have no doubt whatsoever that I can do this job!*”). Management must discover what resources, training, or supervision the employees need. Probability or strength of belief that a particular action will lead to a particular first level outcome.

Instrumentality: The belief that “*if I complete certain actions then I will achieve the outcome*”. In other words, it is the belief that if you perform well that a valued outcome will be received i.e. “*if I do a good job, there is something in it for me*”. The perception of employees whether they will actually receive what they desire, even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that. Instrumentality may range from a probability of 1.0 (meaning

that the attainment of the second outcome, the reward, is certain if the first outcome, excellent job performance, is attained) through zero (meaning there is no likely relationship between the first outcome and the second). Commission pay schemes are designed to make employees perceive that performance is positively instrumental for the acquisition of money.

Instrumentality is affected by:

1. Clear understanding of the relationship between performance and outcomes – e.g. the rules of the reward ‘game’,
2. Trust in the people who will take the decisions on who gets what outcome,
3. Transparency of the process that decides who gets what outcome.

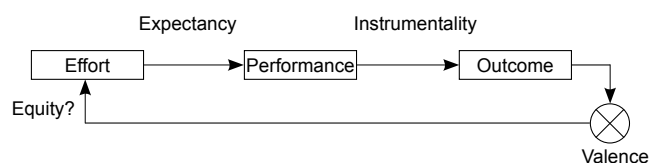
The Expectancy Theory is also called *Valence-Instrumentality-Expectancy Theory* or *VIE Theory*. Vroom says the product of these variables is the motivation and suggests that an employee’s beliefs about Expectancy, Instrumentality, and Valence interact psychologically. In this way they create a motivational force, such that the employee will act in a way that brings pleasure and avoids pain. This force can be ‘calculated’ via a formula:

$$\text{Motivation} = \text{Valence} \times \text{Expectancy} \times (\text{Instrumentality})$$

This formula can be used to indicate and predict things as: job satisfaction, occupational choice, the likelihood of staying in a job, and the effort that one might expend at work.

Thus, this theory of motivation is not about self-interest in rewards but about the associations people make towards expected outcomes and the contribution they feel they can make towards those outcomes.

In order to enhance the performance-outcome tie, managers should use systems that tie rewards very closely to performance. In order to improve the effort-performance tie, managers should engage in training to improve their capabilities and improve their belief that added effort will in fact lead to better performance.



<http://www.arrod.co.uk>
<http://www.12manage.com>
<http://www.wikipedia.org>
<http://www.changingminds.org>
<http://www.mindtools.com>

