



ACHIEVEMENT MOTIVATION

In the previous chapter, you learnt the meaning and features of motivation. In this chapter, you will get more insights into the concepts and theories of motivation.

Why are some people more successful? Why do some employees seem to enjoy their work more than others? The answers lie in the phenomenon that you have studied in an earlier lesson. Some individuals are highly work-driven because they are sufficiently motivated.

To be a successful entrepreneur, you not only need to be motivated yourself but you must have the capacity to motivate others. Even the most successful enterprises struggle to keep themselves relevant in a competitive environment without adequate motivation. Motivated entrepreneurs and motivated teams can turn any organisation successful. Without financial and psychological motivation, one is likely to avoid responsibilities and work. However, some people continuously complain even while they work about the work they do, the hours they put in and the salary they earn. A rational person is bound to question the concept of motivation here as the worker(s) don't appear to be motivated. Prima facie, they may not look motivated but they have certain needs to be satisfied and these needs serve as essential motivators for them to stick around and work. You will soon study about the hierarchy of needs as motivators. Similarly, an entrepreneur may be internally or externally motivated to take up a venture and make it a success. She/he may be driven by the desire to earn money, desire to achieve power or simply because she/he wants some sort of affiliation. You will also study about the Need Theory of Motivation in this lesson.

**Notes****LEARNING OUTCOMES**

After studying this lesson, the learner will be able to:

- classify theories of motivation;
- describe achievement motivation; and
- explain motivational theories for self-improvement.

8.1 MEANING OF MOTIVATION

The word motivation comes from the word ‘motive’ which means any purpose or idea or a stimulus to do or not to do something. Motivation can be positive as well as negative. Positive motivation inspires individuals or employees. Negative motivation discourages people from indulging in undesirable behavior. Negative motivation stops people from indulging in or repeating undesirable attitude or behaviour.

8.2 DEFINITIONS OF MOTIVATION

In the words of Robert Dubin, “Motivation is the complex of forces starting and keeping a person at work in an organisation. Motivation is something that moves the person to action and continues him in the course of action already initiated.”

As Mamoria says, “Motivation is a willingness to expend energy to achieve a goal or reward. It is a force that activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human beings of an organization.”

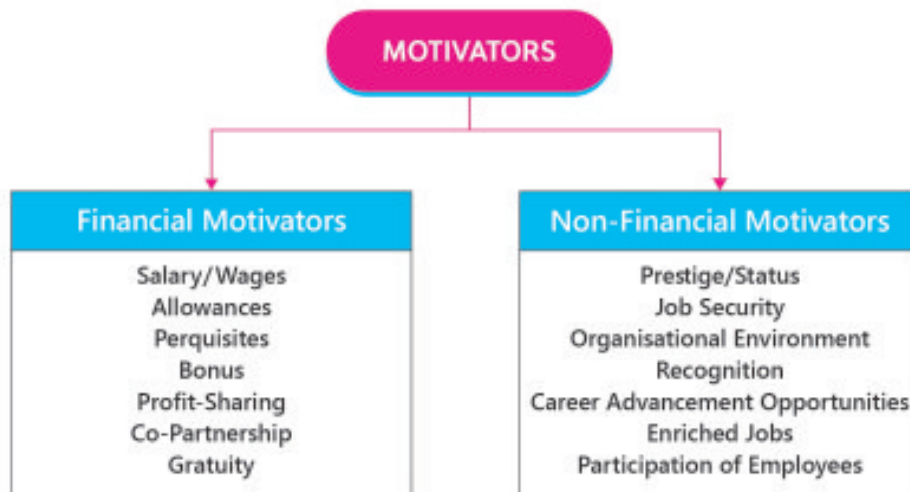
In the words of Buford, Bedeian, and Lindner, “Motivation is a predisposition to behave in a purposive manner to achieve specific, unmet needs.” According to Woodworth, “Motivation is the state of the individual which disposes him to certain behavior for seeking goal.”

8.3 FINANCIAL AND NON-FINANCIAL MOTIVATORS

It is imperative to understand the type of motivators that motivate entrepreneurs or employees. Identifying the correct motivators may help enterprises keep employees satisfied and motivated in the long term. Two broad categories of motivators include the financial motivators and non-financial motivators which are discussed in detail below:



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8.3.1 Financial Motivators

Financial motivators are monetary benefits given to employees to motivate them and to keep them excited about the work they do. Financial motivators are the primary motivators but after a certain point of time they do not motivate the employees as much since the monetary needs are already satisfied to a great extent. The following are the financial motivators:

Salary/Wages: This is the basic purpose to work for most employees. They are willing to work or to provide their services in return of salary or wages. Salary or wages are paid at fixed intervals usually monthly, but in some cases, even on a daily basis.

Allowances: Allowances are monetary benefits given to an employee or worker over and above salary. Allowances are given to meet particular expenditures the employee may have incurred. Allowances may include House Rent Allowance, Dearness Allowance, and Travelling Allowance.

Perquisites: These are non-monetary benefits given usually to some classified employees but not limited to them. Perquisites are benefits which some employees, enjoy by virtue of their employment. For example, an employee may be provided with rent-free accommodation maintained by the employer or be given a car to travel from one place to other during employment.

Bonus Again, a monetary benefit given to employees usually at fixed intervals or after achieving certain specified goals. Bonus is usually paid in cash. Some employers give ceremonial bonus also like Diwali bonus.

Profitsharing: Profit sharing implies sharing a certain percentage of profits with employees over and above their salaries. Profit sharing is different from bonus. Bonus may be given even if there is no profit in a particular year to keep the employees motivated and happy but profit is shared with employees as an incentive only if the organisation earns profit in the particular year.



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Co-partnership: Co-partnership goes one step ahead of profit sharing. Under co-partnership, employees are regarded as partners or members of business. Workers will share not only profits but also the ownership. Also, they will have participation in control and management of the organisation.

Gratuity: Gratuity can be understood as a sum of money paid by an employer to employee for services to the organisation. Gratuity is usually paid at the time of an employee's retirement.

8.3.2 Non-financial Motivators

Non-financial motivators are secondary motivators which are put to use when financial motivators no longer help in motivating the employees of enterprise. These motivators are primarily employed for employees placed at higher levels in enterprise hierarchy. They include:

Prestige: Prestige or status comes from the position in the organisation. This type of motivator works best for employees at comparatively higher level of hierarchy as their basic physiological needs are already fulfilled. Employees at a higher level of hierarchy are less likely to be motivated with monetary benefits. However, social and esteem needs serve as great motivator for them.

Job security: Job security means stability in a job. An employee who is always afraid of losing the job is unlikely to be motivated towards organisational goals. Such an employee will not be able to work to the best capabilities. So, an employee who is sure of the tenure of the job and does not fear dismissal is likely to be highly motivated and work better.

Organisational environment: It implies the extent to which the environment or culture of the organisation is cohesive. An employee is likely to be more motivated and willing to work in a cohesive environment as against when the organisational culture is hostile. Cohesive work environment here means good relations with supervisors, subordinates and peers.

Recognition: Every employee wants to stand out in the organisation. So, recognizing the efforts of employees and rewarding them helps build and boost their morale.

Career advancement opportunities: Every employee wants to grow in the organisation and if they do not see any growth opportunity, they are likely to leave the organisation. Therefore, it is imperative to provide them the opportunities to advance their careers within the organisation. Promotion may be the easiest form of career advancement scheme.

Enriched Jobs: Job enrichment also serves as a motivator for employees since the relative importance of the job goes up. Employees feel that they have a

better role to play, better rights and responsibilities and they are in a position to make independent decisions.

Participation of employees: An employee who participated in the process of setting goals is likely to put in best efforts to achieve that goal. Employees personally attach to such goals that they help in setting and they feel highly motivated and satisfied when it comes to achieving these goals.



INTEXT QUESTIONS 8.1

State if the following statements are true or false:

1. Motivation can be both negative and positive.
2. Motivation is a one-time event.
3. Perquisites are monetary benefits given to employees.
4. Career advancement opportunities are non-financial motivators.
5. Motivation drives goal-oriented behaviour.

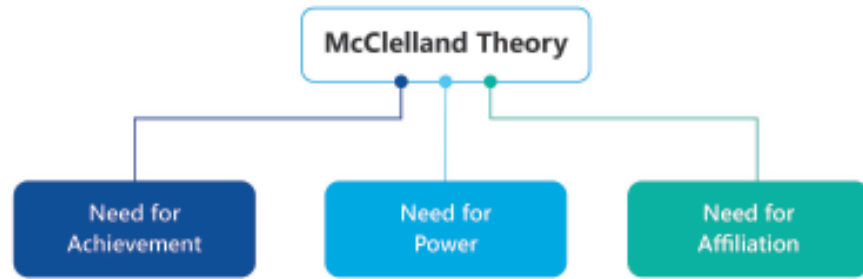
8.4 THEORIES OF MOTIVATION

An entrepreneur is expected to organise various resources for the enterprise. Resources can broadly be of two types: human resources and non-human resources. The major difference between human and non-human resources is that non-human resources require the investment of capital, thereby these can be put to use and start functioning as soon as the entrepreneur is willing to pay for them. Human resources not only require capital investment but also require essential skills, abilities and willingness to work. While the ability and the skills to work can be achieved through educational and training programs, willingness to work comes from motivation. This motivation may come from financial or non-financial motivators discussed above but the decisive capabilities as to which motivator to use comes from experience and depend upon situations. McClelland and Maslow attempted to formally put these situations into motivation theories.

8.4.1 McClelland Theory

David McClelland developed the three-need model. He categorized the human needs into three parts unlike Maslow's need hierarchy theory where needs are classified into five parts. McClelland's theory contemplates that motivation comes from three types of need which are discussed here:





1. **Need for Achievement:** The compelling drive to do things better and efficiently than others. People with high need for achievement find attainment of goals mentally satisfying and they give personal attention for achievement of such goals. But, this desire for achievement may not be present in all individuals and cultural factors may influence the level of this need. McClelland observed that people with high achievement needs differentiate themselves from others on the criteria to do things better. They prefer to take up challenging roles and appreciate quick feedback to improve their performance. Also, such individuals are intrinsically goal driven and not necessarily desire for material rewards.
2. **Need for Power:** Need for power is reflected in the desire to be able to control others. The desire to be dominant and be able to direct individuals. Those high in need for power may enjoy dominating others and prefer to be in status-oriented roles. Need for power can be categorised into need for institutionalised power and need for personal power. Individuals with high need for personal power are likely to use such power for personal gain while individuals with high need for institutionalised power are likely to command such power for the betterment of the organisation as a whole.
3. **Need for Affiliation:** The need to be adored and known by others is the need for affiliation. People with high need for affiliation prefer a more cohesive and cooperative situation rather than a competitive one. Individuals with high need for affiliation like to socialise with others to maintain and boost inter-personal contacts. Such individuals get intrinsic satisfaction when they socialise with others but such socialisation may sometimes hinder the process of goal accomplishment.

8.4.2 Maslow's Need Hierarchy Theory

The credit of development of the theory of need hierarchy goes to Abraham H Maslow who developed the need preference principle. Maslow developed the systematic understanding of motivation depending upon the needs. A human may have innumerable needs yet she/he chooses some needs to be satisfied first before going for other needs. So, the needs which are of utmost



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importance are taken care of first and then needs which are comparatively less urgent be satisfied later. Process of motivation, as per Maslow, begins with the assumption that individual behavior is directed towards satisfaction of needs. Maslow also hypothesised that needs are never fully satisfied. As soon as first need is satisfied, the other need arises. But these needs can be ranked in order of preference since a satisfied need stops serving as a motivating factor for individuals and therefore with satisfaction of one need one moves toward the other need(s). The theory of need hierarchy can be summarised through the following chart:



1. **Physiological Needs:** These needs pertain to the survival of human beings like food, shelter, clothing, air and water. These needs are the starting point for motivation theory.
2. **Safety and Security Needs:** People want a certain level of security in their lives to maintain a given economic level. Safety needs include both physical and economic safety. Physical needs may include safety from diseases and accident while economic safety implies security of income and provisions for old age.
3. **Social Needs:** Humans are social animals. They need to interact, to share their feelings, to exchange thoughts and ideas, to share joys and sorrows. So as soon as the first two needs are satisfied, we start looking for some sort of companionship.
4. **Ego Needs:** Ego needs can be of two types. They can be internally located or externally located. Internally oriented needs include self-confidence, knowledge and competence while external ego needs are related with the feeling of status or prestige that one commands by virtue of her/his position.
5. **Self-Fulfilment Needs:** This is a need to be fulfilled as a mission of life. This need, if satisfied, results in psychological satisfaction. After the four needs are fulfilled the person has desire for personal achievement.



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INTEXT QUESTIONS 8.2

Select the most suitable option out of the given options :

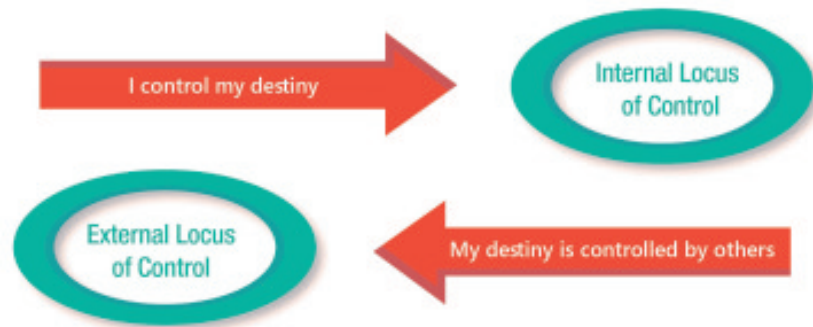
1. McClelland identified the following number of needs in his theory of motivation

a) 1	b) 2
c) 3	d) 4

2. Which of the following is not a need as per the need hierarchy theory?

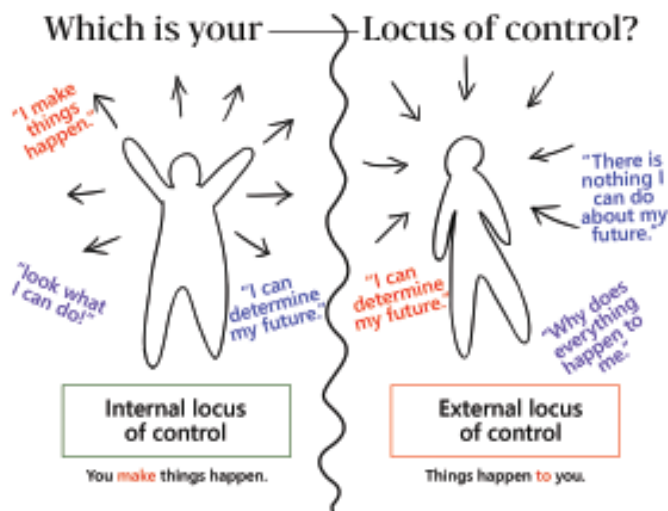
a) Physiological needs	b) Esteem needs
b) Hygiene factors	d) Ego needs

8.5 LOCUS OF CONTROL



Locus of control is the extent to which an individual believes s/he has control over the outcomes of her/his actions in life. Individuals may have internal locus of control or external locus of control. Individuals with internal locus of control believe that they drive their destinies. They believe that whatever results they derive in life are due to their own actions. On the other hand, individuals with external locus of control blame or praise external factors rather than their own efforts. The concept of locus of control can be understood with a small example. Suppose a person is suffering from some chronic disease and is advised by the doctor to take certain medicines and also opt to a healthy lifestyle and exercise. Now, after a month the person gets better and healthy. If this person praises himself or herself for exercising and sticking to the schedule to maintain a healthy lifestyle this will be called an internal locus of control as the person gives credit to self for the results. If the same person praises the doctor for suggesting the right medication and food, the patient will have an external locus of control.

The following image sums up the difference between internal locus of control and external locus of control.



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8.6 SWOT ANALYSIS/SELF ANALYSIS

The credit of developing SWOT analysis goes to Albert Humphrey who conducted a research at Stanford University collecting data for many top organisations with a purpose to identify why organisational planning fail.

The outcome of the research resulted into SOFT (Satisfactory, Opportunity, Fault and Threat) initially but eventually became SWOT.

SWOT analysis is a technique based upon identification of Strengths, Weaknesses, Opportunities and Threats of persons or organisations. Here we will discuss about SWOT analysis in relation to persons. How can individuals use this technique to identify their Strengths to harness and Weaknesses to work upon? How can they identify the Opportunities to exploit or the Threats to avoid?

With the help of SWOT analysis, one can identify one's competitive advantage over others. Strengths and weaknesses may be internally driven but opportunities and threats are identified externally. To get the best out of oneself, the person has to achieve a fit between the internal factors and external forces. The word SWOT is nothing but an abbreviation for the four forces used in the technique which are discussed as below:

Strengths: The advantageous features that a person has over others

Weaknesses: Disadvantageous features that a person has in relation to others

Opportunities: Forces that a person can exploit or take benefit of

Threats: Forces that may cause trouble for the person



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A typical personal SWOT analysis may look like the one produced in the figure below:



SWOT

Theoretically, it may look easy to conduct a SWOT analysis but as is also evident from the above example, an effective SWOT analysis can be conducted by one person. To arrive at reliable results from SWOT analysis many considerations are to be kept in mind while conducting a SWOT/Self Analysis. Some such considerations are:

1. Be truthful about who you are. One should avoid being over aspirational about one's strengths, nor should one unnecessarily underestimate oneself.
2. One has to remember that SWOT analysis is a comparative analysis which means that it is always done in relation to someone else. That someone else is your competitor.
3. An opportunity which is also available to your competitor is no opportunity for you. Therefore, only unique opportunities should be included while conducting the analysis. The same rule applies to threats. A common threat should not be seen as a unique danger.
4. Do not over- or under-analyse.



INTEXT QUESTIONS 8.3

Select the most suitable option out of the given options for each question.

1. Internal Locus of Control implies
 - a) No one can control my destiny
 - b) I can control my destiny
 - c) My parents control my destiny
 - d) My friends control my destiny
2. SWOT model does not include
 - a) Weaknesses
 - b) Opportunities
 - c) Strength
 - d) Trade
3. Identification of your bad habits or toxic traits under SWOT is identification of
 - a) Your strength
 - b) Your weakness
 - c) Opportunities
 - d) Threats



WHAT YOU HAVE LEARNT

- Motivation implies inspiration which means any purpose or idea or a stimulus to do or not to do something.
- It is a continuous process and can be both negative and positive.
- A person can be motivated through financial and/or non-financial motivators.
- The type of motivator needed to stimulate an employee depends upon the person's position and status in the organisation.
- There are two theories of motivation. McClelland's three need theory and Maslow's need hierarchy theory.
- McClelland gave three need model based upon need for achievement, need for power and need for affiliation.



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MODULE - 3

Entrepreneurial Motivation



Notes

Achievement Motivation

- Maslow's need hierarchy theory categorises needs into five categories: physiological needs, safety and security needs, social needs, ego needs, self-fulfillment needs.
- Locus of control is the extent to which an individual believes s/he has control over the outcomes in life.
- SWOT analysis is a technique based upon identification of strengths, weaknesses, opportunities and threats of persons or organisations.



TERMINAL EXERCISE

1. How can motivation be both positive and negative?
2. Which motivators are best suited for a new recruit who is a college passout?
3. Should employees at the top level of an organisation be motivated through financial or non-financial motivators?
4. Which is the better motivator, profit sharing or co-partnership? Why?
5. Out of safety and ego needs, which is to be first satisfied in the level of hierarchy?
6. What is locus of control? How is a person having internal locus of control different from a person having external locus of control?
7. How would you explain the SWOT analysis as a tool of self-analysis?
8. Describe any two financial and two non-financial motivators.
9. Explain McClelland's theory of motivation.
10. Need hierarchy theory suggests one need is more urgent at one point of time than others. Explain the statement with the help of the pyramidal structure of Maslow's need hierarchy theory.



ANSWERS TO INTEXT QUESTIONS

8.1

1. True
2. False
3. False
4. True
5. True

8.2

1. (c)
2. (b)

8.3

1. (b)
2. (d)
3. (b)

DO AND LEARN

1. Perform your own SWOT analysis and list out your strengths, weaknesses, opportunities and threats. You can take your examination as an event to perform the analysis.
2. Design a poster on Maslow's theory and explain it giving example of your favourite entrepreneur.



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CONCEPT MAP

