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**Recent events in the banking sector have brought the issue of bonus payments into the spotlight. With reference to appropriate motivation theories, critically evaluate the statement that “money motivates”**

The purpose of this essay is to discuss what can motivate people in their working performance and to what extent can money motivate them. In order to do so, this essay will first focus on defining what motivation is and it will try to explain “Why do people behave the way they do?” Secondly, it will observe the different motivation theories of well-known psychologists. The research demonstrates how people can be motivated by many unconscious factors unrelated to money. Despite the fact that it is generally assumed that money motivates people in different ways, it is not the only way to “make” someone do the job. There are other factors like job satisfaction, experiences, success, recognition, which can also affect people’s actions. For instance, humans can motivate themselves by setting future goals (Locke and Latham, 1990).

To begin with the term ’motivation’ comes from the Latin word ‘movere’, which means ‘to move’. This illustrates the main concept, which is to make, or to push someone to do something, to get him/her from one point to another. The study of motivation is about answering the question “Why do people do what they do?” There are a lot of theories, which try to explain what makes people behave the way they do and they are separated into two main categories: content and process motivation theories. The content theories deal with the individual’s behaviour, while the process focuses on people’s thoughts. Anyhow, the answer to “what motivates people” is hidden in the reasons for every action and goals person wants to achieve.

The first content motivation theory, known as Maslow’s hierarchy of needs, suggests that people have to satisfy their basic needs in order to move forward in accomplishing something more desirable. The author explains in detail the steps that man has to go through in order to reach the highest level of the hierarchy. At the bottom, the psychological needs are found: those required to sustain life: air, water, food, and sleep. They are the basic, most important needs and if they are not satisfied, the next level cannot be reached. Then, they are followed by the safety needs like job security and medical insurance, meeting the social needs next. The desires to have friends, the presence of family, taking part in a social group are part of people’s life. At the higher level is the self-esteem thrive, divided into internal-the need of status, fame, attention, reputation and external like self-respect, freedom, independence. These two “layers” are related to each other and are put in one level, as Maslow indicates. The highest satisfaction that person can reach is the self-actualization, which is the point of the realized potential of a man. The upper set of needs is attainable only when the needs at the most basic level are satisfied. .

The American psychologist Frederick Herzberg puts forward another argument on the view of what people expect from their job and therefore he argues that wages can avoid dissatisfaction but cannot stimuli people to perform their job. At the same time, the author suggests a two dimensional model of motivation, based on the idea that the presence of one set of job characteristics or incentives leads to worker satisfaction (motivators) at work, while another and separate set of job characteristics leads to dissatisfaction (hygiene factors) at work. The motivators are related to the job content like achievement, recognition, the work itself, responsibility, advancement, and growth, while hygiene factors are company policy, supervision and interpersonal relationships, working conditions, salary, status and security (Herzberg, F., 1987). Another way to look at these two factors is that the satisfiers relate to what a person does while dissatisfies relate to the situation in which the person does the job.

Additional content theory is the McClelland’s acquired needs theory, which is divided into three main aspects: the need of achievement, the need of affiliation and the need of power. The first one is connected with the wish to do something better or more professionally or to solve problems. The need of affiliation is related to the desire to create relationships, to explore other’s behavior, thoughts and opinion and to interact with them. The third kind of need is linked with the desire to control others, to have an influence on them or to be responsible for others. These three types of needs are faced during people’s lifetime and can motivate individuals in their work performance.

Why people prefer one action over another in the workplace is examined by the process theories. On one hand is the equity theory which is based on the idea of balancing. The main researcher about this theory was J. Stacy Adams, who claims that employees search to manage equity between the inputs(contributions) that they bring to a job and the outcome(rewards) that they receive from it against the perceived inputs and outcomes of others (Adams, 1965). On the other hand, is expectancy theory, which was introduced by Victor H. Vroom in 1964 and its idea is to give explanation why people choose one action over another. He includes three variables: expectancy, instrumentality and valence. Expectancy is the belief that man’s effort will lead to preferred outcome. Instrumentality is the belief that a person will receive a reward if he achieves his goal.Valence is the significance of what man has accomplished.

All these theories are focused on what can satisfy people at work and they are connected to the idea of what can motivate people. But the essay’s main point is to prove that money itself is not a motivator. The evidences for that are in the theories above, which did not include money as a satisfying factor. Moreover, what Herzberg argued about was that people want more from their occupations than material rewards, such as recognition,responsibility,feelings of achievement,prestige,pleasure from social interactions,stimulation,and challenges (Beck,R.,2004). He also points out that a low salary makes people dissatisfied, but paying them more does not affect their motivators. In addition, McClelland’s theory includes that payment is a significant source of performance feedback for high-need achievers. It can be attractive to people with a high need of affiliation when offered as a group bonus and it is valued by the high need-for-power person as a means of “buying” prestige or control over others. Furthermore, in Maslow’s vision of motivation, payment is observed as a reward that can please many different needs. In Adams theory, payment can be the cause of equity or inequity. In Equity theory, pay is an object of social judgment. People tend to compare what others wage is regarding particular job and what they themselves receive from the exact same post. Alternatively, in expectancy theory people are rewarded in many ways, based on the performance of their job. Payment is only one example that can be evaluated and when valence, instrumentality and expectancy are high, pay can be a source of motivation. Another researcher (Lawler, 1971) shows that in many situations people find promotions, bonus payments and other monetary rewards important. Moreover, Armstrong and Murils (1980) state that, "salary policies are based implicitly or explicitly on assumption about the role of money as a motivator". Even though there is evidence that money motivates, the theories above focused on more important and valuable aspects, which are result of job performance.

In my point of view money is not a motivator; it is more of an additional benefit.

Money is a prize that you receive, you can see them, you can touch it, and you can measure in some way the job you have done. Maybe that is why people assume it is a motivator. Because it prooves what you have done. The other things you achieve from doing a task are not visible. They are personal and it is difficult to say if they are there or not.

References

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Well done, Rachel!

You have covered the essential theories about motivation very well, and have summarised and evaluated very skilfully.

I would suggest that you re-write the introduction and conclusion, following the guide in Gillett’s book.

Please note some of my corrections in the text and the notes I have made to the side of this text.

Your internet references will need to be written correctly, see Tissington’s guide for this.

Your discussion and evaluation of theory in relation to the thesis is of a very high standard.

Perhaps consider all the ways you can critically evaluate a statement – and include them in your evaluation. See Stella Cottrell’s book on critical thinking for help on this.

Richard