

Motivation, Incentives and the Complexity of the Complexity of Human Behaviour

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Abstract: Employee motivation is key for the long term upkeep of high performance in all companies. Unfortunately, innumerable fully fledged managers are in misunderstanding about what motivation means and how it works. Many of them confuse motivation with incentives and thus commit grave HR blunders. By doing so, they involuntarily damage shareholder value whilst they intentionally try to enhance it. This article highlights the difference between incentives and motivation. It also gives some insight into the mysterious world of human motivation. It deals with not only well-known drives of motivation but also less known ones which still influence us on each day of our lives.

Keywords: Motivation, hedonic treadmill, motivation crowding, perception

1 Foreword

We live in a highly competitive world where the survival of all companies and all people depend on their competitiveness and their ability to win. Business enterprises can build their competitiveness on their know-hows, on their technology and on their employees. The most attractive – and possibly the cheapest – way for them is generally to use their workforce as the engine of competitiveness. There are different attitudes among firms towards their staff. Some – too many - believe in the forceful exploitation of workers, while others understand the importance of the willing labourer – colleagues who find pleasure in serving a common goal with their employers (Bolino & Klotz, 2017). For the latter enterprises, motivated jobholders are key (Gruman & Saks, 2011).

In this article I make a humble attempt to amalgamate my two decades managerial **experience** with the **literature** available in this field.

2 Motivation or incentives?

Despite the importance of motivation, there is a widespread misunderstanding about its meaning. Uncounted managers use the word ‘motivation’ and ‘incentive’ interchangeably. This confusion may lead to incorrect managerial actions and thus to organisational harm.

What is the difference between motivation and incentive?

To illuminate this, let me use a resemblance. I have a dog. I often make her fetch back a piece of stick. She is overjoyed to do it. When I throw the stick away she rushes after it and runs back to me with the stick in her mouth. Then I reward her with a bit of cheese for her great work. This ritual makes both of us jolly. Nevertheless, it is important to discern which one of us is motivated by what. I am happy to see that my pet is jolly to obey my command. My cherished tail-wagger wants a mouthful of delicious cheese. She is not the least interested in carrying back a piece of inedible piece of wood. On the contrary: she may find this outright dull. I am motivated to make her obey. She is motivated to satisfy her appetite for cheese. The two motivations are clearly distinct. My gamesome canine is incentivised by a bite of food to play the game in which she would otherwise be uninterested. The two completely different motivations are joined in a common action: throwing and carrying that piece of wood.

Humans also ceaselessly chase their motives and their employers generally offer them glass beads as incentives in order to make them do activities that they otherwise dislike doing.

And now the definition of motivation: the will so satisfy an inner need. The origin of motivation is **intrinsic**, it may only arise from our souls.

Incentives: **extrinsic** factors, by which the attitudes and acts of individuals are influenced (Reiss, 2012; Ryan & Deci, 2000). Monetary incentives prevail in business life.

By downplaying the importance of motivation and focussing merely on incentives in their stead – which happens too often - we unintentionally destroy employee motivation and as a consequence, the erosion of corporate health is sure to follow.

3 Theories based on human needs

Mayo's experiments showed that we are all **social** beings. We desire to be in societies, we must have contact with other people. When a workplace society is good, it will motivate all employees to be part of it and to exert extra effort for the common goal (O'Connor, 1999).

Maslow proved that we have a multi-layered, hierarchical system of needs. The lowest layer is that of the psychological needs, while the topmost layer is self-actualisation. We are motivated to reach as high among these layers of existence as possible. Our current level is determined by the lowest layer which we miss. Even if other, higher layers are fulfilled, we are still motivated to strive for the lowest one that we lack. The lower layers require monetary spending, whereas the topmost ones cannot be bought for money. (A.H. Maslow, 1943)

Herzberg differentiated two groups of workplace factors: motivators and hygiene factors. He emphasized that the antonym of satisfaction is not dissatisfaction but 'non-satisfaction and likewise, the opposite of dissatisfaction is not satisfaction but 'not-dissatisfaction'. This is an important message for all managers, since we must comprehend that satisfaction and dissatisfaction depend on unsimilar factors. Bad hygiene factors may destroy satisfaction, but good hygiene factors can create only non-dissatisfaction. (Herzberg, 1974)(William, 2010)

Alderfer's ERG (existence, relatedness, growth) theory integrates other motivation theories. His contribution is that he reveals the complexity of human motivation. He believes that we are motivated by our physical needs (Maslow – bottom of the pyramid), social needs (Mayo) and growth (Maslow – top of the pyramid). (Alderfer, 1972)(Arnolds & Boshoff, 2002)

McClelland realized that we all have some urges which are not born with us but we **acquire** these during our life. These are: need for achievement, (the pleasure we take in success), need for affiliation (we desire to be loved), need for power (we wish to have an impact on others). (Deci & Ryan, 2000)

4 Process based theories

Vroom's in his **expectancy theory** claims that people are motivated by the likelihood they perceive their expectations to be fulfilled. This expectancy comprises three components:

- Are their efforts likely to lead to the expected performance (expectancy)?
- Will the achievement of the expected performance result in the expected results (instrumentality)?
- How big is the value of the outcomes for the individual (valence)?

People will invariably adjust their efforts to their expected value of the outcome. If the expected value is less or more than their current level of effort, it will equally lead to the reduction of their efforts.(Lawler, 1973)

Locke&Latham revealed that properly **set goals** are motivating for people, even if no incentives are involved. Properness of goals are influenced by how clearly

are they defined, how devoted to are people to the outcomes, whether they can influence the goals and their achievement, how complex the goal is, how well the goal achievement is supported by operation mechanisms and company infrastructure.(Locke & Latham, 2002)

Arousal theory: proper level of arousal functions as a natural dopping. He recognises the positive role of positive stress in the performance of people. He also highlights that this is a hazardous field, since optimal arousal level may be very diverse for each individual. Too little stress fails to motivate the individual, too much will lead to destroying (burnout) her/him. (Teigen, 1994)

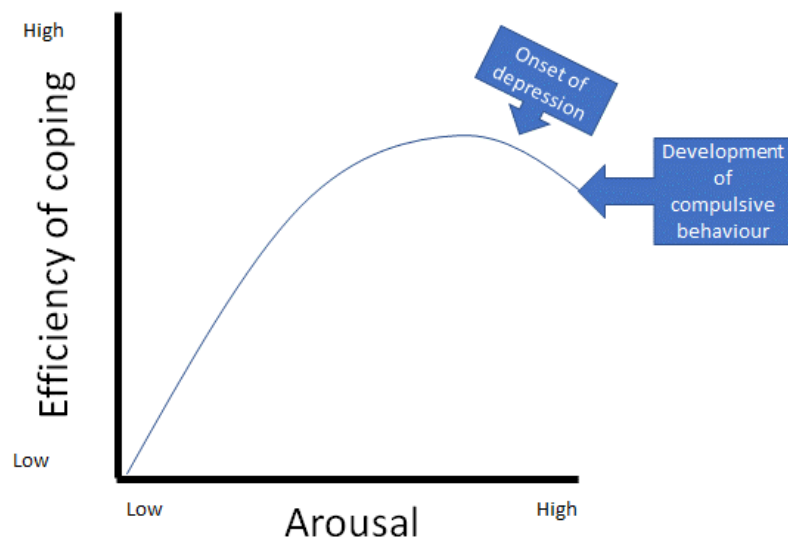


Figure 1: The Yerkes-Dodson Curve, source: (Teigen, 1994)

Equity theory suggests that employees constantly measure their own efforts (outputs) versus reimbursement they receive (inputs) from their employers in return. They will eternally strive for equilibrium (Chapman, 2001). What makes the situation complex is that this is a comparative equilibrium, not an absolute one. This means that people measure their own equilibrium in light of other people's.(Huseman, Hatfield, & Miles, 1987)(Chapman, 2001)

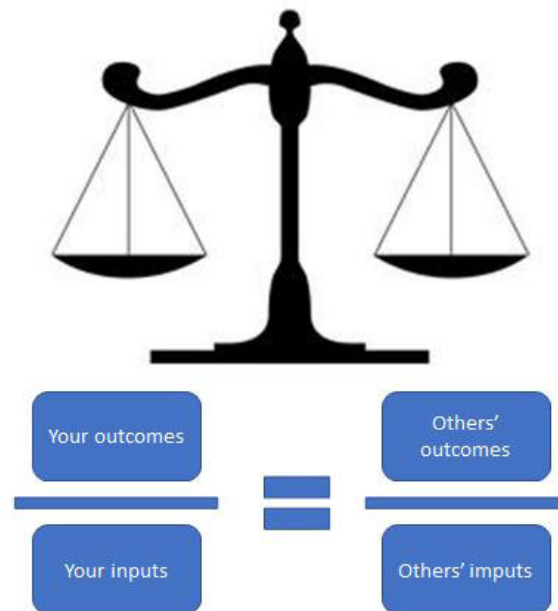


Figure 2: The Equity Theory, source: (Geddes, 2016)

Csikszentmihályi claims that motivation is a state when people feel a kind of **flow**. This flow is a state when everything goes smoothly, effortlessly. This state is determined by where we are located in a two-dimension area: the level of challenge and the level of our knowledge. The level of challenge must always correspond to the level of our knowledge. When it does, we feel the 'flow' and our motivation will be high. Less experienced people require less challenge, senior people function better when they have more – in order to reach the state of flow. Csikszentmihályi calls this lane within his diagram '**the flow channel**'. (Nakamura & Csikszentmihályi, 2014)

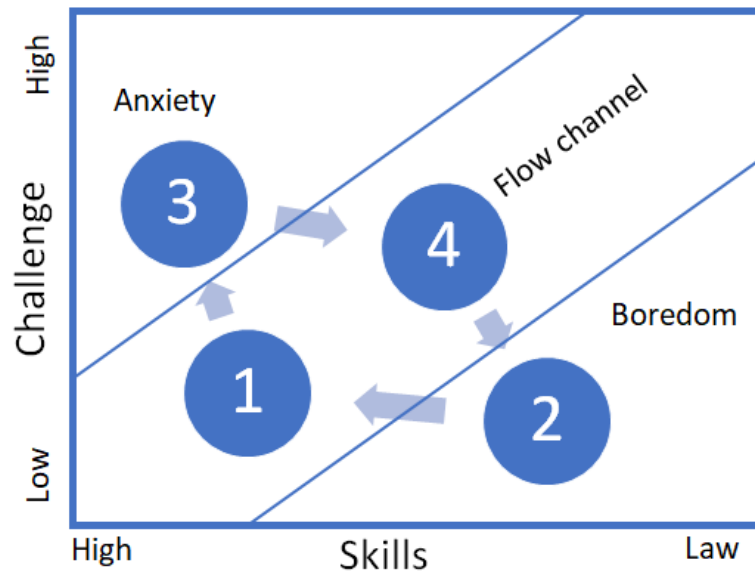


Figure 3: The Flow, source: (Bailey, 2013)

Gamification is a workflow design that builds on our love for play. We do not like boredom, therefore, we dislike tasks that do not offer us some amusement. It is possible to design jobs with the inclusion of game elements: opportunities to compete, win and feel success (pleasurable feelings). This will improve our performance and prevent burnout.(Robson, Plangger, Kietzmann, McCarthy, & Pitt, 2015)

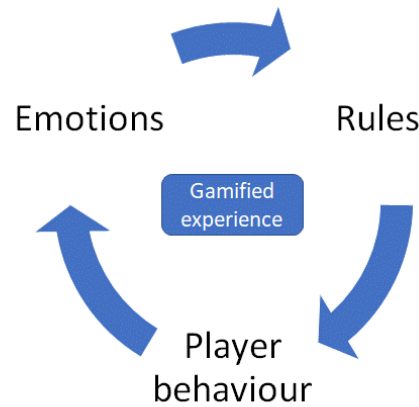


Figure 4: MDA network of gamification principles, source: (Robson et al., 2015)

5 Hedonic treadmill

Consumerism is the major force behind the mechanisms of our current economy. Humans are not people any more, but most importantly, consumers. Their extraorbitant consumption is an imperative must for the operation of the economy. This paradigm has changed their attitude to purchases. People used to buy only needful things, only when they needed them. Nowadays they buy lots of things they do not really require and they do this daily. They do it for the momentary pleasure of taking ownership of things. (Nava, 1987)

At workplaces, incentives have a congruent effect. When we create the culture of continuous incentives, people will soon get **addicted** to them. Incentives will function only as long as we give them. Unfortunately, **hedonic adaptation** (Graham & Oswald, 2010) will also muscle in: people get used to incentives and thus, their impact will diminish unless we increase their level – like in the case of other addictions.

The phrase '**hedonic treadmill**' (Lykken, 2007) refers to the mechanically urge to follow the never ending cycle: chase incentives, getting used to them, losing interest and seeking new pleasure again. In this cycle there is only momentary satisfaction (happiness) – the moment of the acquisition - while the urge is constant.

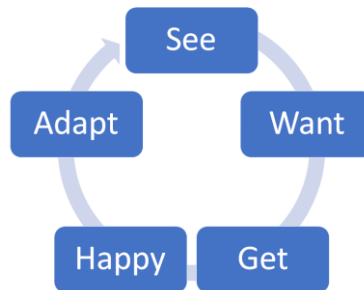


Figure 5: The Hedonic treadmill, source: (Cozzie, 2017)

6 The dark side of human soul

When we say ‘human’, we always think of something frail but lovable. We like to think of ourselves as nice, positive creatures with a few pardonable weaknesses. The truth is unfortunately, very offbeat. Besides all our cuteness, we all have our nefarious sides, too. The infernal side is evil, full of malicious intent and capable of anything for power, for sex, or out of fear. Quite understandably, we spend a lot of effort on hiding our dark sides from our fellow humans. Furthermore, it is not very fashionable to talk about fundamental human flaws today – since all HR people are expected to emphasize the bright side of humans, which also exists - but I think it is outright dangerous to deny the existence of our wicked selves. If we want to successfully deal with people, we must understand their both faces. The real importance of the wicked self is the fact that people can be – and in deed are – controlled by the manipulation of their appetite for evil.

An abundance great thinkers had devoted a lot of time to discover this immoral part of souls. Sun Tzu, the famous Chinese general, who plenty of generations before us harvested great victories simply by building on general human weaknesses. Machiavelli, who empirically observed the tactics of bright Italian princes (Machiavelli, 1513). He came to the conclusion that it is better for a leader to be feared than be loved -since fear is more constant, thus easier to manage. Adam Smith (Smith, 1776) masterminded a theory that attributes everything to human selfishness. Some call Fayol, Taylor and Weber jointly the “evil triad” since they lived in the same period and they all base their theories on common human flaws.

7 Motivation crowding

Managers who do not understand the mechanisms of motivation often act like elephants in a china shop. Improper extrinsic incentives – especially monetary ones – have a great chance to destroy intrinsic motivation (Frey & Jegen, 2001). Unwisely chosen rewards will crowd out vital motivation, and to make the situation even worse, may crowd in unwanted, harmful motives.

Creativity is more and more imperative in every job. Financial incentives, unfortunately destroy this gift (Charness & Grieco, 2014). Financial rewards may have positive impact only in a few cases – especially in those when a given task requires focussing on a simple process that does not require creativity (Pink, 2009).

8 Perceptions

Not only people are motivated by a multitude of unsimilar motives, what makes motivation even more intangible is that fact-based reality is often invisible for us, humans. We all look at the world through multiple distorting lenses. These distorting lenses are momentary emotions, our education, our personalities, our company culture and our national cultures (Nisbett & Miyamoto, 2005). Such crucial factors like the passage of time and risk are also distorted by our subjective perception. (Droit-Volet & Meck, 2007) (Slovic & Peters, 2006)

The picture that finally comes through the multiple layers of these lenses is what we call reality (Kahneman, 2011). This is our perception of the world. The same reality will look very different when we look at it through other lenses. Likewise, the very same reality will create distinctly diverse perceptions in different people. This is apparently true of our motivation. The consequences are profound:

- reality does not necessarily matter,
- what matters most is perception (and this can be very distant from reality).

Illusions motivate people as much as – maybe more than - reality does.

9 Conclusion

Never mistake extrinsic incentives for intrinsic motivation. Different personalities are driven by deviating motives. Each and every one of their motives targets the fulfilment of some personal urges. Without proper motivation there is

no good work performance in the long run. It might be a good idea to stimulate a company culture that cherishes a certain kind of personality. Make sure that this environment makes it easy to satisfy the intrinsic needs that are important for this kind of people. Attract and keep the kind of employees who fit into this environment. Make sure they forever have some reason to be satisfied. In return, they will be motivated to work for you. The two things to be parallelly observed: allow your people to enjoy themselves and avoid demotivating them.

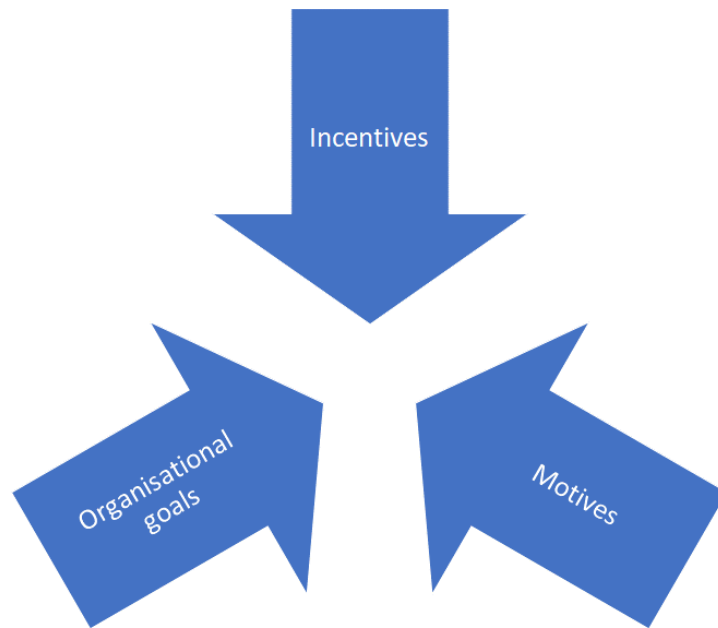


Figure 6: The congruence of three forces, source: own

Your task will be similar to that of a gardener. You offer fertile soil to the proper kind of seeds. You make sure there is the right level of sunshine and humidity. Nature will do the rest. Your plants will know by themselves how to grow. You do not have to tell them how to grow.

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