Motivation: direction, intensity, and persistence

Motivation is a combination of direction, intensity and persistence of effort towards a goal. These mean a highly motivated person putting in a lot of effort, for a long period of time at a directed task is highly desired. Unmotivated people will lack intensity of their effort/duration or a sense of direction of their efforts. Motivation has a strong relationship to performance according to the expectancy theory thus is highly important for organisations to have highly motivated workers to reduce staff changeovers keeping their employees interested, satisfied and challenged via intrinsic and extrinsic factors.

Surely everyone has worked a part time job that at first they were very enthusiastic about however over time your excitement for going to work started to decline and going to work became like such a drag. Incentive pay being a good motivator for an individual worker is an extrinsic factor of motivation. But this alone is usually not enough. We have heard of many career changes especially in today's society where people go from a job they have 3-10 years' experience in then have them change to entry level/graduate position as they found their previous job not fulfilling.

In today's world we hear someone who has been a profession eg. accountant, engineer switch their career paths as they found their job dull/boring. High contingent pay does influence workers to stay at their job but this motivator is not as long lasting as intrinsic factors to motivate. A combination of intrinsic factors and extrinsic factors both are required to keep workers highly motivated at their jobs. Does high contingent pay influence how workers perceive and feel about their work, and employees' intrinsic motivation for their work?

According to a study management theories and traditional practices using an extrinsic motivator to motivate workers are no longer enough to keep a worker’s loyalty and compliance. As extrinsic motivators are not from the work itself, but rather from management that allocate these motivators to ensure work is done in an efficient and proficient manner. Intrinsic motivators does come from the work itself, whether it is pride of technical accomplishment, service to a customer, or making a contribution on the team or even the world.

Over 39 studies showing 47 relationships between financial incentives had a very low correlation to performance quality. While another article showed that specific business objectives with incentive tools like commission and bonuses on top of a base salary would push individuals that “ extra mile” an incentive schemes that offered peer recognition can have a greater impact on sales performances. In the short term extrinsic motivators would seem to have a greater effect than intrinsic motivators.

However over time the financial and nonfinancial incentives both have an impact except in terms of employee turnover where an individual with lower intrinsic motivators to a job would lead to higher turnover. In today’s cut-throat world organizations cannot afford to keep someone simply for their worker loyalty. Therefore individuals are more responsible to develop their skills to ensure their own “ employability”. This mobility has created greater competition for skilled employees amongst organizations. Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content.

As employees have become more likely to leave unrewarding jobs, the impact of losing individuals has become greater. With global competition and a scarcity of talent, few organizations can afford the cost of recruiting and training replacements. Managing for intrinsic rewards, then has become the crucial next step in keeping employees. The Phenomena of Intrinsic Motivation What motivates people to do their best work in any endeavor they undertake? Management theory and practice has traditionally focused on extrinsic motivators—pay, benefits, status, bonuses, pension plans, expense accounts, etc.

While these are powerful motivators, by themselves they are no longer enough—intrinsic rewards are essential to employees in today’s environment (Thomas, 2000). When organizations wanted only compliance from workers, they bought it with money and other tangible benefits. Extrinsic rewards don’t come from the work itself; instead they are allocated by managers to ensure that the work is done properly and on a timely basis (Thomas, 2000). Nowadays motivational issues are more complex because of the wealth and opportunity so many employees have enjoyed.

Thus, work in the current decade has the potential for much richer, “ intrinsic” rewards. Intrinsic rewards come to employees directly from the work they do—like the pride of technical accomplishment, service to a customer, or making a difference in the world. In today’s competitive labor market, intrinsic motivation is crucial. Over the long haul, people need intrinsic rewards to keep going and to perform at their peak (Thomas, 2000). Organizations can no longer offer guaranteed employment and a pension in return for worker loyalty and compliance.

And employees with dull or unfulfilling jobs are less willing to remain with a company for the mere possibility of an eventual pension. Workers have been forced to take more responsibility for their own careers, going where the work is rewarding and where they can develop skills that will guarantee their employability—in whatever organization (Hall and Associates, 1996). This mobility and “ free agency status” has created greater competition for skilled employees amongst organizations. Talented workers have more choices than ever before, and are likely to leave if not satisfied with their employer or job content.

As employees have become more likely to leave unrewarding jobs, the impact of loosing individuals has become greater. With global competition and a scarcity of talent, few organizations can afford the cost of recruiting and training replacements (Thomas, 2000). Managing for intrinsic rewards, then has become the crucial next step in keeping employees. Organizations have had generations to develop their extrinsic reward systems. In the future, the biggest gains will come from systematically improving an organization’s intrinsic reward process—making the work itself so fulfilling and energizing that employees won’t want to leave.

Although there is a voluminous psychological literature on performance evaluation (PE), surprisingly little of this research examines the consequences of linking pay to evaluated performance in work settings. Rather, PE research has been dominated by cognitive processing, measurement, and construct validity issues. At the same time, a large literature on pay-for-performance (PFP) linkages does exist, but most of it has been conducted in disciplines other than psychology. We think this pattern should change.

To this end, we briefly trace the origins of the general separation of PE research from PFP research in psychology. From there, we review recent research on the relationship between PE and performance improvement, particularly with respect to multisource or 360-degree evaluation. We then turn to research on various PFP systems, such as merit pay and individual and group incentives. We conclude with suggestions as to how psychological research can make useful contributions to knowledge of PE, PFP, and performance improvement. The relationship of financial incentives to performance quality and quantity is cumulated over 39 studies containing 47 relationships.

Financial incentives were not related to performance quality but had a corrected correlation of . 34 with performance quantity. Setting (laboratory, field, experimental simulation) and theoretical framework moderated the relationship, but task type did not. (PsycINFO Database Record (c) 2012 APA, all rights reserved) Unlike previous behavior management research, this study used a quasi-experimental, control group design to examine the impact of financial and nonfinancial incentives on business-unit (21 stores in a fast-food franchise corporation) outcomes (profit, customer service, and employee turnover) over time.

The results showed that both types of incentives had a significant impact on all measured outcomes. The financial incentive initially had a greater effect on all 3 outcomes, but over time, the financial and nonfinancial incentives had an equally significant impact except in terms of employee turnover. (PsycINFO Database Record (c) 2012 APA, all rights reserved) Abstract This paper presents an experimental investigation of risk preferences in the context of compensation.

In five studies, participants indicated their preference between a job offering a fixed salary and one having a lower certain component but the potential to earn a higher amount contingent on performance. Results demonstrate that people are not generally risk averse in this context, as found in earlier research, but rather that risk preferences depend on the nature of the variable pay plan.

In particular, in both between- and within-subjects designs, variable pay was preferred more often when incentives were based on individual rather than collective (team or organizational) performance, and participants were more optimistic about the likelihood of receiving incentives as individuals. The effects of individual differences such as self-efficacy and preference for group work were contingent on the format of the variable pay plan. Implications for designing compensation plans and employee recruitment and retention are discussed.