

Building Employee Motivation Mechanism for Modern Enterprises Based on Victor H·Vroom's Expectancy Theory

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Abstract Effective employee motivation mechanism should be performed with the guidance by proper motivation theories. The article describes the significance of Victor H Vroom's expectancy theory and the principle of using expectancy theory to establish the system of theory and methodology for personnel motivation mechanism, so as to motivate personnel of modern enterprises, and try to build motivation mechanism for the personnel of modern enterprises.

Key words expectancy theory; motivation mechanism; enterprise development

1 Introduction

Following the development of science and technology and economy, along with building and perfecting modern enterprises system of our country, the ideological work in modern enterprises slowly meets many new opportunities and challenges. It is very important to start research on personnel motivation mechanism in modern enterprises, so as to strengthen and improve employees' political working behavior, and welcome these new opportunities and challenges.

Motivation, a key term in management psychology, means that manager uses the proper method to encourage an individual worker's behavior and passion towards his/her job and make sure the individual worker reaches and keeps an active level during his/work. Motivation mechanism is an internal system to stimulate motivation, encourage behavior, and arouse the enthusiasm to reach or keep people active. The introduction, establishment and perfection of motivation mechanism is rather important to use the advantage of ideological work, strengthen the management in modern enterprise, enhance employee's quality and practice strategies of invigorating our country through science and education.

2 Use Expectancy Theory to Build Personnel Motivation System in Modern Enterprise

Effective employee motivation mechanism should be performed with the use and guidance by proper incentive theories. Those driving theories, such as *The Need Hierarchy theory* of Maslow, *ERG theory* of Alderfer, *Achievement Incentive theory* of McClelland, *Dual Factors Theory* of Herzberg, *Adams's fair theory*, *Field Dynamic Theory* by Lewin are all useful to formulate our policies. Among all these theories, the expectancy theory, which is created by the brilliant psychologist and behavioral scientist Victor H Vroom, is much better to reflect the reality of our society. This theory is to encourage the motivation of employees in modern firms. The Victor H Vroom's expectancy theory can be formulated by the following function:

$$M=V * E$$

From above function, M represents inspiration, a power to encourage individual motivation and potential. V represents target potency. It means the degree of individual tendency. When individual considers the target value is minor important, the value of potency is equal zero. On the other hand, the value of potency is negative while the individual regards the target value as disadvantageous. There is no inspiration from above two consequences. E represents expecting ratio. The expecting ratio is a probability given by specific experiment. This is a probability judged by previous experiences and can be reached to the target value.

According to the expectancy theory, the intensity of the behavior tendency is determined by individual expectation and the attractiveness of the result. To be more specific, when individual worker believes that the excellent appraisal performance can be reached through personal endeavor, he/ she will dedicate to his/her job. The excellent appraisal performance evaluation brings benefit, such as bonus, raising salary and promotion to the individual worker. As a result, employees are satisfied by the incentive premium. The theory focus on three aspects as following:

Endeavor. The relationship between hard working and appraisal performance is the first aspect. The scientific appraisal performance system is crucial in determining whether a person's endeavor is

effective in his/her work. A proper appraisal performance system promotes a person's value to a good level. In a word, the person's endeavor reflects the appraisal performance.

Appraisal performance and premium relationship is another aspect. The degree of incentive premium is related to the level of appraisal performance. If the individual worker believes that the excellent appraisal performance evaluation will bring rewards to his/her job, the relationship between appraisal performance and premium is strong and vice versa.

Premium and personal objective relationship represents the level of satisfaction from individual worker and the attractiveness of the rewards. If the reward is the expecting premium of individual worker, the relationship between premium and personal objective is strong and vice versa.

It is crystal clear from analysis above that if the three relationships are close related to each other, the level of incentive can be reached to the maximum. In other words, the level of incentive can be best effective if the three relationships reach to the same level.

The expectancy theory of Victor H. Vroom is highly recognized by our society. It is demonstrated that if the expecting ratio is equal zero or negative, there is no need to encourage individual worker to fulfill his/her objective. The motivation mechanism depends on the target potency and expecting ratio. It is possible that the motivation to complete one task is related to the expectation to other tasks.

3 The Methods to Build the Employee Motivation Mechanism by Using the Expectancy Theory for Modern Enterprises

The basic concept of using expectancy theory to encourage employee of modern enterprise is that employees can get rewards such as bonus, giving honor and satisfying their needs by following enterprise's rules and regulations and also obeying enterprise's arrangement. There are four steps which are personal endeavor, achievement, reward and satisfaction included in the concept. Meanwhile, there are following methods to encourage employees in modern enterprise:

1) Expected incentive and Objective incentive. We can see from the relationship between endeavor and appraisal performance in Vroom's expectancy theory is that the motivation to achieve success in their jobs is the main reason for employees in modern enterprise. They are always willing to dedicate themselves to reach success in their jobs. If employees think their target is difficult to reach and they will not get excellent performance in their jobs. As the result, they will loss their motivation to achieve success. Therefore, the management should make use of expected motivation mechanism and objective motivation mechanism properly and control the probability to achieve the best result. It is also their responsibility to guide employees to set their goal and pursue it.

2) Intelligence incentive and competency incentive. The world has changed quickly through information, digital and internet technology. There is a common problem that the modern employees are faced with inappropriate construction of knowledge structure and their learning concept is out of date. Therefore, when they expose to the continuing increased competition of job market, they have a strong intention to improve their personal value by keep learning. The modern companies, as a platform for employees, should support their motivation to improve competency. It is better to satisfy employees' objective value and inspire them to compete in the market. The enterprise should also eliminate the stress and negative thinking for employees and create working environment and conditions which can explore their potential and benefit for their future development. At the same time, the enterprise should increase its expectancy to support employees' objective value, guide their direction according to their special needs and to enhance their moral cultivation and mental and physical health.

3) Spirit reward and material reward. The relationship between appraisal performance and rewards in Vroom's expectancy theory has clearly demonstrated that the employees in modern enterprise are willing to get rewards from their achievement. The reward is combined with material rewards and spirit rewards. If the employee thinks about the rewards after him/her engaging good performance, he/she will have passion to do his/her job. On the other hand, he/she will lose enthusiasm to do the job when nothing is rewarded. Individuals also have special needs for self-approval and honor. The enterprise should give honor to the employees who have excellent performance in their jobs. Offering them spirit reward and material reward is essential to encourage other employees in order to achieve the target for the enterprise. Certainly, the proper penalty is also a way to motive employees. If employees misbehave themselves in their work, it is a good way to teach them by giving penalty. However, the reward and penalty should provide in time and properly in order to maximize the effect of motivation mechanism. Moreover, it is also important to encourage the team reward for the enterprise to cultivate group honor and team spirit.

4) Behavior incentive and model incentive. The elite of V room's theory are that the model employees who have excellent performance in the job, have power to inspire other employees to behave well in their jobs. The management and the model employees should influence other employees by their knowledge, moral conduct and remarks. Meanwhile, they should care about the employees and try to help them out. A powerful incentive is to inspire employee inside from their heart. Model incentive is a concrete behavior model. The model employees must be the individual or group workers who have accepted reward from the enterprise. The model is an important role in the enterprise. It teaches employees what to do and how to work on it. The model changes the enterprise's objective into a real job and improves enterprise's efficiency.

4 The Principle to Use Expectancy Theory to Establish Individual Incentive Policies for Modern Companies

1) Innovation for incentive policies. Once the enterprise has established its incentive policies, it is important to implement without any discount so as to keep the credibility. However, meeting with the new trend and characteristics of the society, the motivation mechanism should be altered based on the employee's special needs. In order to keep the balance of motivation mechanism, the enterprise should continuously adjust the policy content.

2) The motivation mechanism should be well targeted. V Room's expectancy theory has demonstrated that people always wish to get reward to stratify their special needs. However, there is a difference among individual workers. As the change of time and space, the individual worker has changed their needs and level of satisfaction. Therefore, the motivation mechanism should be well targeted in different stage and different needs for individual workers. The enterprise should implement effective strategies to maximize the objective value under different situations. If the management do not treat it seriously and never analyze the situation for the enterprise, there will be no effective consequence for the incentive policies and even result in an opposite effect.

3) Motivation mechanism should be fair and appropriate. Professor J.S Adams in University of North Colorado of the United States introduced Equity Theory according to the unbalanced recognition theory. According to his theory, the individual not only care about his/her income and expenditure, but also care about the relationship between personal and group income and expenditure. The motivation also effects by either absolute value and relative value, that is, the incentive depends on what he gets from the reward and what other people get from the reward.

Only the proper reward and punishment can motivate employee's enthusiasm toward their jobs. Over reward can make employees satisfied and arrogant, as a result, they lose the intention to improve themselves. Under rewards also can not reach incentive effect and make employees feel less important in their jobs. The significant principle of motivation mechanism for employees in modern enterprise is to treat employees fair, equal and open. Any unfair treatment can lead employees lose their efficiency and emotion for the job. The reward offered to employees who have achieved the same level of performance should award in the same level. Similarly, the same penalty should give to the employees who have made the same mistakes. Otherwise, the motivation mechanism will not work well among different employees. Sometimes, it can result conflict among them.

To treat employees equally must avoid average allocation. The average allocation of reward means nothing for the employees. The individual worker will compare his reward with other person and even compare with the historical reward and social reward. It is often appears that some management never treat problems from enterprise's view, they only think about the personal situations. Therefore, it would destroy many employees' enthusiasm. Indeed, equity is a feeling that every employee can feel about it. The individuals are always focusing on their own benefit, so the management should have an acute judgment based on their difference and make sure individuals keep their enthusiasm.

4) Introduce different motivation mechanism for different employees and provide various incentive target and work target. According to the psychological principle, only the unsatisfied needs can trigger individual's motivation and effect individual's behaviour. The difference of individual can cause different needs at different time, even the same person has different needs at different situations. Therefore, the motivation mechanism should be changed based on the different needs. In order to satisfy their needs and inspire their motivation, the incentive target should be changed among different situations. According to the psychological theory, the motivation of employee is also influenced by the work targets which are employee's capability, environment condition, and personal relationship. The following reason causes employees have less incentive in their job, such as improper work target,

incompetency and over established target. If employees have less competency and they are worked under unfavourable environment and human relations, they can also have negative attitude toward their job. Therefore, when establishing the motivation mechanism for modern companies, the management should consider employees' competency, working conditions and the relationship among workers. The motivation mechanism which has various incentive targets and adjust to different persons can maximize the enthusiasm for employees.

5) To prevent inability to implement incentive policies. Firstly, the management should avoid high demand with low ability. The management and entrepreneurs must give attention to the establishment of motivation mechanism and focus on the research and implementation. Otherwise, they will lose many opportunities to reach the incentive effect. Secondly, the enterprise should avoid over burden of strategies. The motivation mechanism is well-meaning to the enterprise, but if the enterprise can not manage it well according to different situations, it does not take much to become either incentive or anger. The policy could result in an opposite consequence. Thirdly, the enterprise should prevent from prejudice. The implementation of incentive strategy is not only the responsibility of enterprise's leader, but also the responsibility of every management of the enterprise. It is better to build up the incentive motivation for every manager of the enterprise in order to create a desirable environment and reach the real target of inspiring people.

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