**Expectancy Theory – Victor Vroom; 1964 (Process Theory)**

**What is the Theory?**

In organisational behavior study, expectancy theory is a motivation theory first proposed by Victor Vroom of the Yale School of Management in 1964.

The expectancy theory says that individuals have different sets of goals and can be motivated if they have certain expectations. This theory is about choice, it explains the processes that an individual undergoes to make choices. Motivation, according to Vroom, boils down to the decision of *how much effort to apply in a specific task situation*. This choice is based on a two-stage sequence of expectations (effort leads to performance and performance leads to a specific outcome/reward).

First, motivation is affected by an individual’s expectation that a certain level of effort will produce the intended performance goal. For example, if you do not believe increasing the amount of time you spend studying will significantly raise your grade on an exam, you probably will not study any harder than usual. Motivation also is influenced by the employee’s perceived chances of getting various outcomes as a result of accomplishing his or her performance goal. Finally, individuals are motivated to the extent that they value the outcomes (i.e. rewards) received.

Vroom used a mathematical equation to integrate these concepts into a predictive model of motivational force or strength. For our purposes, however, it is sufficient to define and explain the three key concepts within Vroom’s model—expectancy, instrumentality, and valence.

**Expectancy Theory Expectations:**

- There is a positive correlation between efforts and performance,
- Favourable performance will result in a desirable reward,
- The reward will satisfy an important need and the desire to satisfy the need is strong enough to make the effort worthwhile.

Vroom’s Expectancy Theory is based upon the following three beliefs.

**EXPECTANCY THEORY BELIEFS**

1. **Valence.** Refers to the emotional orientations which people hold with respect to outcomes [rewards]. The depth of the want of an employee for extrinsic [money, promotion, free time, benefits] or intrinsic [satisfaction] rewards. Management must discover what employees appreciate.

2. **Expectancy.** Employees have different expectations and levels of confidence about what they are capable of doing. Management must discover what resources, training, or supervision the employees need.

3. **Instrumentality.** The perception of employees whether they will actually receive what they desire, even if it has been promised by a manager. Management must ensure that promises of rewards are fulfilled and that employees are aware of that.

Vroom suggests that an employee’s beliefs about Expectancy, Instrumentality, and Valence interact psychologically to create a motivational force, such that the employee will act in a way that brings pleasure and avoids pain.
How to Apply this Theory to the Workplace

As a manager, it is important to recognise that individuals have different sets of goals and expectations and therefore must be motivated according to their personal preferences and choices.

The key to applying this theory in the workplace therefore, is to gain a true understanding of individual’s expectations in relation to the following:

- **Valence** - What is most attractive in motivating them as an individual? - is it intrinsic motivation (such as a simple thank you or personal sense of achievement) or extrinsic motivation (such as a gift card or box of chocolates)? By understanding and appreciating what motivates individuals will help you to tailor the right kind of reward that will be most desirable/valuable to them personally.

- **Performance** - Is it their expectation that a certain level of effort will produce the intended performance goal? If not, what’s holding them back? Are they lacking in the right skills, resources and technical ability to meet the goal? Or are they capable but simply not bothered? By understanding their view, you can work on putting into place the appropriate training, coaching or supervision, or indeed have a chat about why they feel negative about achievement of the goal, in order to help change their views.

- **Instrumentality** – What are the individual’s perceived chances of achieving the goal/s set? Is their expectation that they can achieve the goals, even though they may be challenging/stretching, or do they see them as unrealistic? By understanding this, you can work on agreeing how their goals/objectives can be achieved or indeed modify the goals as appropriate. In addition, do they believe that they will actually receive a reward that they most desire? You can help with this by explaining at the outset what they can expect as a reward so the individual is aware of what the outcome will be and ensure you stick to your promises. Reminders of this whilst they are working towards the goal is a great way to maintain focus, increase personal motivation and support achievement of the goal.

**Summary:**

**Managing Expectations** - In carryout the above actions you must also be aware of the following:

- Make sure you understand the financial/budgetary constraints in your organisation and be realistic with potential reward types – if monetary rewards are not going to be possible, then extrinsic reward expectations need managing – maybe get your employees to come up with suitable alternatives.
- The offer of increased accountability/promotions as a reward might be a problem with workers who know that higher positions mean more hours and weekend work for example – so make sure individuals are aware of the implications of possible rewards so their expectations are not mismanaged!
- Always ensure that you connect effort and performance with reward – remember the three components are linked. Never speak of work without linking it obviously and immediately with the rewards involved. This is central to the Expectancy Theory working and being a success.