Video Transcript: “Expectancy Theory”
https://youtu.be/DjIlQzYheH0

SPEAKER_1: Let’s take a look at expectancy theory. Expectancy theory holds that people make conscious choices about their motivation. The three factors that affect those choices are valence, expectancy, and instrumentality.

Valence is simply the attractiveness or desirability of various rewards or outcomes. Expectancy theory recognizes that the same reward or outcome—say, a promotion—will be highly attractive to some people, will be highly disliked by others, and will not make much difference one way or the other to still others. The greater the sum of those valences, each of which can be positive, negative, or neutral, the more effort people will choose to put forth on the job.

Expectancy is the perceived relationship between effort and performance. When expectancies are strong, employees believe that their hard work and efforts will result in good performance, so they work harder. By contrast, when expectancies are weak, employees figure that no matter what they do or how hard they work, they won’t be able to perform their jobs successfully, so they don’t work as hard.

Instrumentality is the perceived relationship between performance and rewards. When instrumentality is strong, employees believe that improved performance will lead to better and more rewards, so they choose to work harder. When instrumentality is weak, employees don’t believe that better performance will result in more or better rewards, so they choose not to work as hard.

Expectancy theory holds that for people to be highly motivated, all three variables—valence, expectancy, and instrumentality—must be high. The expectancy theory can be represented by the following simple equation: motivation = valence x expectancy x instrumentality.

What practical steps can managers take to use expectancy theory to motivate employees? First, they can systematically gather information to find out what employees want from their jobs. Second, managers can take specific steps to link rewards to individual performance in a way that is clear and understandable to employees. Finally, managers should empower employees to make decisions if management really wants them to believe that their hard work and effort will lead to good performance.

One of the ways that managers destroy the expectancy that hard work and effort will lead to good performance is by restricting what employees can do or by ignoring employees’ ideas.