

# The Implications of Motivation Theories for How Tesco

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**Abstract:** Keeping a position in a competitive market is difficult for an organization, In today's market. To improve organizational performance and productivity, motivating employees should be a top priority. The purpose of the essay is to consider and compare some motivation theories and analyze the relationship between motivation theories and organizational performance. This paper attempts to prove the influence of employee motivation, by analyzing the measures and plans for motivating employees and discussing the implementation of the motivation theories, based on the Tesco case.

**Keywords:** Motivation, Employee, Maslow's theory, Herzberg's theory, MacGregor's X and Y, Organizational behaviour modification, Goal setting, Expectancy, Equity.

## 1. Introduction

In today's market, due to fierce competition, becoming the market leader and keeping the position in a competitive market is difficult for the organization. However, Tesco, as Britain's number one PLC, it keeps the leading position for many years (Wunsch, 2019). In the organization, the importance of motivation and job satisfaction is important to achieve organizational goals. To improve organizational performance and productivity, motivating employees should be a top priority[1].

The purpose of the essay is to consider and compare some motivation theories and analyze the relationship between motivation theories and organizational performance. This paper will attempt to prove the influence of employee motivation for Tesco, by analyzing the measures and plans for motivating employees. Among them, the employee motivation and enthusiasm of the employees may be one of the factors that Tesco maintains its leading position in the market. Firstly, the importance of employee motivation in the organisation will be considered. Then, the motivation theory which includes content theories and process theories will be analyzed. moreover, based on the Tesco case, the implementation of the motivation theories will be discussed. Finally, the conclusion will be shown.

## 2. Analytical Framework

### 2.1. The importance of employee motivation in the organisation

The positive employee is one of how organizational success and organizational performance improve (Buchanan and Huczynski, 2017). Thus, understanding the employee's motivation is crucial [2]. Buchanan and Huczynski (2017) stated that understanding employee motivation can improve organizational performance by influencing employee behaviour. According to the Financial Times (2015), some business students' career goals and work motivation are mostly related to working and living environment, for example, a successful career as a professional, being autonomous, have a work-life balance. Thus, understanding employee work motivation is one of the key things to attract and motivate employees and potential talent.

From another perspective, a demotivated workforce may bring disaster to the organization. For example, due to poor working conditions, such as illegal work overnight, exposure to hazardous materials, employee suicides and protests caused partly by some organization's economic losses (The Economist, 2010). Thus, employees' negative emotions and resistance behaviour can be viewed as demotivated work behaviour.

### 2.2. Motivation theory

In the organization, motivation is the key role to drive employees to achieve personal goals and organizational goals. Most of the motivation theories are related to employee job satisfaction results and rewards. According to Buchanan and Huczynski (2010), motivation is behaviour through initiating and monitoring to achieve a goal [3]. In the workplace, the results of the assessment may lead to employees' emotional responses, and the reaction will determine employee satisfaction. Furthermore, the reward is the main factor to motivate employees because it can encourage employees to stay within the company and gain wider employment relationships. In general, each employee, their motivation may be influenced by external and internal factors such as rewards and personal factors. Motivation, as a basic psychological process, can be interpreted as a kind of employee behaviour in the workplace. Moreover, motivation is the employee's willingness to satisfy the individual needs to achieve individual and organizational goals. (Buchanan and Huczynski (2010).

#### 2.2.1. Content theory

For content motivation theory, motivation covers the drives and motives, even though there are some differences between them. Motives as socially acquired needs are stimulated by the desire for fulfilment (Zweig, 2014) [4]. Thus, motivation is affected by the external environment and social norms without innate drives as the body's instinct. Therefore, motivation is not only a kind of innate drive which is instinct and needs, but also it is an acquired motive as the willingness to achieve the objective.

Furthermore, needs and drives can satisfy people's desires by inspiring their efforts and actions because content theories demonstrate the view that people's thought can influence their behaviour (Nohria et al, 2008). According to (Nohria et al, 2008), the drives and needs as part of motivation may affect

the work quality and work enthusiasm of employees, such as engagement, loyalty, and satisfaction in the organization. This kind of impact on the organization is worthy of emphasis. Because managers can improve organizational performance by helping employees achieve their goals and needs. In general, managers with praise and reward ways can encourage teamwork and bonus distribution (Zweig, 2014).

### **2.2.2. Maslow's theory**

People's innate needs which include drives and goals supported by some theories. These theories also confirmed the emergence of motivation. Maslow proposed a common incentive theory, namely the hierarchy of needs. The hierarchy of needs is divided into five levels. The structure includes physiological needs, security, belonging, and self-realization. Among them, the highest level of the hierarchy of needs is self-actualization. Maslow argued that self-actualization is the ultimate goal of people by satisfying victory and security requirements (Tay and Diener, 2011) [5]. Maslow's theory, as a thinking direction, helps people understand the thoughts of themselves and others and guides the actions of managers (Ramunas Vanagas, 2014). There is no doubt that Maslow's theory is valuable, because it confirms the behaviour depending on the needs, drives and motives. For organizations, Maslow thoughts always affect the organizational management practice and many technologies, such as self-management teams, enrich the contents of the work (Tay and Diener, 2011). However, Maslow's theory is not able to clear the specific methods and activities for the organization. Maslow's theory lacks specific strategies such as rewards and responsibility for the organization to motivate employees, even though Maslow's theory has confirmed that needs can enhance motivation. Thus, it is clear that Maslow's theory pays more attention to individualism (Ramunas Vanagas, 2014).

### **2.2.3. Herzberg's theory**

The motivator effect which works conditions and rewards employees is mentioned by Maslow's theory. However, Herzberg researched the role of motivation in a different way. Herzberg argued that Maslow's needs theory to motivate people's needs and drives is inadequate, these motivation factors should be attached to the motivator factors. Herzberg thinks that incentives should pay more attention to intrinsic or internal factors, such as achievement, responsibility, and growth (Buchanan and Huczynski, 2017) [6]. Compared with Maslow's theory, Herzberg's theory is more suitable for the organization because Herzberg's theory focuses on work motivation research. For example, Herzberg's theory is related to events happening at work. Drummond (2000) states that the work environment is the core factor affecting employee motivation in Herzberg's theory. The importance of hygiene factors in the working environment. Bad working conditions may cause extreme discontent for the employee. (Drummond, 2000).

### **2.2.4. MacGregor's X and Y Theory**

MacGregor's theory is focused on employee motivation and potential (Heil et al., 2004). Although the factors to motivate people have not been shown in MacGregor's theory, the model of X and Y can help managers to check their assumptions of employees, and then analyze the influence of these assumptions on the management methods [7]. The difference between X theory and Y theory is whether the employee takes responsibility initiatively (Heil et al., 2000). Compared with Herzberg and Maslow's theories, the

MacGregor theory research field of vision is more widespread. Jonathan and Okafor (2019) argued that the factors motivating people include social factors, for example, employees who are happy with their work which can achieve higher working efficiency. Moreover, MacGregor's X and Y theory and Herzberg's theory have certain similarities. These theories are based on the environment within the organization.

Overall, content theories are based on the specific environment and factors to explain the motives. Content theories explain the concept of motivation and the level of people's needs. Even these theories can help organizations distinguish between the positive and negative factors of motivating employees.

## **2.3. Process theory**

Compared with content theories, process theories are more inclined to human behaviour research (Vancouver, 2008). It means that only focusing on people's minds cannot fully understand their needs. Process research is the study of observable human behaviour which is action to satisfy needs and motives [8].

### **2.3.1. Organizational Behavior Modification Theory**

Skinner's theory of OB modification, based on the conditional reflex psychology, motivates employees by monitoring and feedback (Davey, 2017), the usual way is to check on work attendance and performance monitoring and feedback. The way of stimulating employees, such as reward, must be recognized by the receiver. Thus, as a result the employee evaluation, is affected by the culture and environment. It means that the rewards from different regions and corporate cultures are diverse.

### **2.3.2. Goal-setting theory**

Goal-setting theory is one of the process theories of motivation. Compared with content theories, goal-setting theory can be regarded as a kind of work motivation stimulation technology (Ibarra, 2015) [9]. Based on the theory of target, challenging and clear goals can bring a high level of performance. Because SMART goals are more likely to be adjusted and implemented in the process of implementation (Ibarra, 2015), feedback is one of the ways that motivate employees. Understanding past performance and the result is the necessary condition to achieve the goal effectively (Ibarra, 2015). However, this theory in the long-term goals cannot be verified because the goal may change with the environment and time. The goal-setting theory is also in pursuit of collective goals and organizational goals, even though it is more applicable to motivating employees. Because organizations need to ensure the goals are met, then the manager needs to assess and control their performance. Thus, the goal-setting theory is mostly used in performance management [10].

### **2.3.3. Expectancy theory**

Victor H. Vroom argued the expectancy theory of work motivation consists of valence, instrumentality and expectancy (Drummond, 2000), motivation of people's hard work is affected by various factors together. Expectancy theory, as a cognitive theory, argues that individual motivation depends on the expected value (Drummond, 2000). It means that the effort will have good results with higher expectations [11]. Because people's behaviour is affected by expectations (CIPD, 2019). Some theorists agree that people's efforts should get a fair return, To motivate the individual to solve the tense situation from unfair, equity theory compares

the returns and the contribution of output, between individual and others (Drummond, 2000).

### 2.3.4. Equity theory

The motivation comes from the relationship between job input and output (Schneider, 2017). If the employee pays more labour, the reward will be more. The employee also will compare the job input and output with other employees (Robbins, 2010). Equity theory predicts excessive and insufficient reward behaviour in organizations. However, the limitations of equity theory are that the predictor variable depends on the individual's perception and individual differences, thus it is difficult to measure (Robbins, 2010) [12].

Process theory tries to focus on the occurrence of motivation by analyzing people's behaviour, thus it can be more flexible on different cultural backgrounds. Moreover, process theory can be used to identify the employee's needs levels, and to consider the factors that influence organizational behaviour.

## 3. Case Study

Tesco is the leading retailer in the UK, and it is one of the world's three largest retailers. To improve organizational performance and organizational development, Tesco needs the employees to be proactive, flexible, well trained and understand customer needs (Wunsch, 2019). At the same time, Tesco's employees should also receive the support of the organization in different roles and levels of the company, for example, the department manager, warehouse staff, and logistics personnel. Thus, Tesco realized the importance of employee motivation for the sustainable development of the organisation[13].

### 3.1. Planned

To motivate employees, Tesco, in different ways, creates more benefits for employees, for example, the Retirement Savings Plan. It means that the employee has the investment opportunity and preferential tax. Moreover, Tesco provides a privilege card for the employee to enjoy a discount of 10% when shopping in the shop (Tesco, 2020). Financial rewards as a motivating factor can improve employee motivation. Thus, some other factors can motivate people more than money in their personal lives and work. The main purpose of these plans is to ensure the enthusiasm and motivation of the employee [14].

Furthermore, Tesco advocates achieving personal goals through relevant and targeted the welfare of individual employees. For example, Tesco supports employees to choose the right career path, by providing an apprentice plan and encouraging the qualification certificate in work. Also, every employee should plan their annual goal setting. The role of these goals is to track the performance of the employees (Tesco, 2020) [15]. Tesco's behaviour and plan are in line with the goal-setting theory. These plans give employees more power and motivation. Employers create a good working environment, such as the frequent communication between employers and employees, to make employees feel attention. It is clear that Tesco hopes their employees feel valued by setting different goals and using a variety of incentives to maintain the enthusiasm of employees.

### 3.2. Designed

The employee reward program has similarities to Maslow's

theory. Tesco is one of the high-paying organizations, thus people are always willing to join it, even if they cannot easily leave (Wunsch, 2019). Higher wages and salary compensation, as a reward program, meet the basic needs and physiological needs of Maslow's theory of motivation[16].

Herzberg's theory may apply to motivate employees and improve their satisfaction with Tesco's management plan. Motivating employees by focusing on hygiene conditions and improving working satisfaction is one of the purposes of Tesco (Ryle, 2013). Herzberg's theory that organizations should create conditions to motivate employees is the same objective as Tesco's purpose[17]. For example, managers motivate employees through communication, delegate responsibility to employees, and even allow employees to participate in discussions about salary raises. These actions can be regarded as recognition and encouragement for employees, then to motivate them. There is no doubt that Herzberg's theory is a good way to motivate employees and improve production by meeting their different needs.

For Tesco, using the X theory of management methods in the shop is probably the most effective way to motivate employees. Due to the large employee base, managers may need to put forward effective supervision and guidance methods to maintain the operation and management of the shop[18]. As a result, management may use X theory in the process of the organization operating. Because employees, who perform some tasks such as shelves stacked and invoicing, do not need a lot of skills and techniques. Thus, employees may need more supervision and guidance from managers in the process of work, and to ensure the consistency and continuity of the work.

Tesco uses Vroom's expectancy theory to motivate employees. For example, making their bonuses achieve performance goals based on the distribution of employees. At the same time, Tesco adopted a succession plan by assessing job performance to inspire a higher sense of responsibility and achievement (Tesco Annual Report, 2017). This way, to a certain extent, can be seen as a long-term incentive factor[19].

### 3.3. Implemented

According to Maslow's theory, only meeting basic needs cannot improve people's motivation perfectly, spiritual demand is also equally important. To satisfy the self-worth realization of the employee, Tesco provides some training and development opportunities. These opportunities can make employees not only acquire the skills training but also promote growth within the organization. Even, though Tesco provided strategic career planning for employees in 2009, Tesco appointed 80% of internal managers (Tesco Report, 2013)[20].

Moreover, the organization also emphasizes employee development and implemented a system of 360-degree feedback. The system is verified by OB Modification theory, monitoring and feedback can improve employee motivation. The system of 360-degree feedback, as a personal development tool, can help employees understand their behaviour, advantages and disadvantages and the others see them in the workplace (Tesco Report, 2016). The purpose of this project is to get other people's hearts and minds to improve personal motivation and job performance[21].

Tesco adopted different theories to motivate employees, with rewards, training and development, and personal development. It is shown that employees can develop and grow in the organization's support, for example, employee

welfare and benefits, employee share plan, timely communication, and hygiene conditions.

## 4. Conclusion

In conclusion, the essay explains the content and process motivation theories of motivation behaviour. Motivation behavior is viewed as the attempts to meet needs, by the content theories. Based on content theories, managers can through understanding the needs of the people manage the employee's behavior. For the process theory, using the cognitive process of the employee can explain the motivation behaviour. For example, the reaction of the employee to unfair behaviour of the environment, the reflection from the feedback, even if they have expectations for the concrete behaviour and work, they would be the effort. Although these theories are not complete, each theory can be explained and analyzed in the organization. However, the practice effect and the function of motivation theory are limitations. Thus, to motivate employees to improve organizational performance, the organization should be based on different theories to practice.

From the above, employee motivation theory is diversified, only depends on wages and benefits, and does not fully motivate employees. Monetary reward is not the only way to motivate employees, return method without money also can motivate employees to maximize the organization's interests. For example, they are setting personal goals. There is no fixed motivation formula, all the theories and strategies should be based on the organization of the external environment and internal factors. At the same time, the employee should find their goals and expectations within the organization, and the organization should encourage employees to realize their potential, rather than forcing them to engage in rejective work.

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