Incentive Theory of Motivation

A theory that focuses on motivation and behaviour, the Incentive Theory of Motivation involves the concepts of conditioning, homeostasis and positive reinforcement. The theory is one of the motivation theories that are promoted by behaviourists.

Origin of the Theory

The Incentive Theory of Motivation is a theory that is supported by many behavioural psychologists, the most distinguished one being B.F. Skinner. Skinner and other radical behaviourists believe that a person will more likely to do an action that is positively received, while he will more likely avoid an action that is negatively received (i.e. brings negative reinforcement). The Incentive Theory is said to be different from other theories of motivation in such a way that it views the stimulus as something that attracts a person towards it, rather than something that prompts a person to reduce it or totally eradicate it.

The Theory

An incentive is either a promise or an act that is provided for the sake of greater action. In business, an incentive may be an additional benefit or remuneration or job promotion given to an employee either to recognize his achievements or encourage him to perform better. Additional remuneration or benefits motivate an employee to accomplish greater things. On the other hand, non-monetary incentives such as job promotion, job security, pride of accomplishment and job satisfaction are also employee motivators, according to this theory.

Positive Incentives
Incentives that give a positive guarantee for satisfying an individual’s needs and wants are called positive incentives. These incentives involve the principle of optimism and are provided to fulfil the employee’s psychological requirements. For instance, a supervisor praises a new employee for a job well done. Other positive incentives include recognition, job promotion, additional allowances, trophies and medals.

**Negative Incentives**

As opposed to positive incentives, negative incentives are provided in order to rectify an individual’s mistakes and errors for the sake of achieving satisfying results. More often than not, negative incentives are given if the positive incentives do not work, conditioning a person to act to avoid such negative incentives. These include job demotion, penalties and fines.

Unlike the drive-reduction theory [1], the incentive theory states that a stimulus (in this case, an incentive) attracts a person towards it. An individual will more likely behave in order to get himself closer to the incentive. The theory is grounded on the principle of conditioning an incentive to make a person happier. For example, a student who studied hard during his college years is happy to receive a medal on his graduation day.

**Application**

Incentive Theory of Motivation is applied in various fields and industries, one of the largest ones being business management. In management, monetary and non-monetary incentives [2] are provided to employees to motivate them in their work. Non-monetary incentives include praise, promotion opportunities, recognition, job enrichment and job security.

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