Theories of Motivation that can be used to analyze/predict Pay Satisfaction

*Expectancy (VIE) Theory:*

Motivation = Expectancy x Instrumentality x Valence, where

Expectancy => "If I try, can I perform at the level necessary to get the promised reward?"

Instrumentality => "If I perform at the necessary level, will I in fact get the promised reward?" and

Valence => "How much do I value the promised reward?"

*Equity Theory:*

Motivation depends on the perceived equity of outcomes (rewards) per inputs (performance level), based on a comparison with some desired standard or referent other person (e.g., a coworker in a similar job inside or outside the company); an employee who feels undercompensated will seek to adjust the level of inputs or outcomes if possible, or leave the organization if this cannot be accomplished.