

**Paper –CONSUMER BEHAVIOUR**

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**Paper Code-MC-01, Unit-II**

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### **Topic- Expectancy Theory**

The Expectancy Theory is also known as instrumentality theory, path-goal theory and valence-instrumentality-expectancy theory. This theory was developed by Victor H. Vroom. According to this theory, work effort in an organization is directed towards behaviour that people believe will lead to desired outcomes. (Vroom 1964). In other words, we can say that people adopt such behaviour in their work effort which gives desired outcomes.

In this theory there are two stage sequences of expectations-(effort performance and performance-outcome)

Vroom has used a mathematical equation

$MF = V \times I \times E$  Where,

MF = Motivational force

V = Valence

I = Instrumentality

E = Expectancy

Let's understand these three concepts of Vroom's equation: Expectancy: It is believed that a particular level of effort will be followed by a particular level of performance. It means expectancy= effort to perform We can say it for example that you can work hard if you believe that it will lead to success

**Instrumentality:** It is the relationship between first level outcomes and second level outcomes. In other words, it is the perception of an individual that first level outcomes are associated with second level outcomes. For example, if you pass the entrance test of IIM you will get admission in IIM. If there is no relation between the two, their instrumentality will be zero.

**Valence:** It is the preference of an individual for a particular second level outcome. Valence can have values ranging from negative to positive. An outcome is positive when it is preferred and negative when it is not preferred.

Managers of successful organizations try to ensure that employee's levels of expectancy, instrumentality and valence are high so that they will be highly motivated. On the basis of this model four assumptions can be derived about the causes of behaviour in an organization.

- A. A combination of forces in the individual and the environment determines behaviour.
- B. Individuals decide their own behaviour in the organization.
- C. Different individuals have different needs and goals. So, they expect different rewards for their work.
- D. On the basis of their perception of which behaviour will lead to the desired outcome they decide about the alternatives.