George N. Kenyon · Kabir C. Sen

The Perception of Quality

Mapping Product and Service Quality to Consumer Perceptions

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Chapter 1
What is Quality?

> *Quality is how we describe the value we perceive in the innate characteristics of a product or the attributes of a service.*
>
> *Quality Management is how we apply the theories, principles, and practices associated with the defining, creating, and delivering of products and services that generate value for our customers and society.*

The purpose of any business is to generate money. The reason for this objective is that without sufficient financial resources, the business cannot grow or maintain its assets, or develop new products or services, or hire and pay employees, or any other activity that society regards as necessary or worthwhile. But how does a business consistently generate money? The answer is simple: through the creation of value for customers, employees, investors, and society. Unfortunately, the consistent creation of value is not simple. Due to the interests of these four stakeholder groups being inextricably linked, sustained value can only occur when value is created for all four groups simultaneously.

So what is meant by value? For the customer, it involves the firm developing products and services that they consistently find useful or beneficial. For the employee, value is generated through being treated respectfully, being involved in decision making, engaging in meaningful work, and continued training and other developmental activities. For the investor, value is realized when the company delivers consistent high returns on their investments. For society, value is created when there is an increase in economic activity that is not accompanied by harmful environmental and/or social actions.

To consistently create value for customers, employees, investors, and society, companies must embrace a "total quality" philosophy and approach change from a holistic perspective. To be a world-class value creator, they will need to take quality management beyond the traditional understanding. Not only do they have to produce high-quality products and services in the traditional sense, but they must

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also produce high quality in a metaphysical sense. In other words, a commitment to quality should be inherently manifest in total creative process, from the design to the final delivery to the customer.

The word "quality" has its roots in the English language with Shakespeare using it in the phrase "the quality of mercy is not strained" in his play "The Merchant of Venice" written between 1596 and 1598. The dictionary defines quality by attributing two meanings to it. The first definition refers to the essential characteristics of a product; the second connotes a degree of excellence which a product has. For example, colloquial English often contrasts high-quality products with cheap, inferior imitations. However, "quality" is not synonymous with "expensive." A more realistic view of quality is a measure of a product's ability to live up to the average consumer's expectations about it. This approach to a definition of "quality" is related to the **concept of value** [1].

In order to create value, there must be a balance between the benefits provided by the product or service and the costs associated with consuming the service or using the product over its lifetime. It should be noted that all costs incurred by the customer might not be monetary. For example, given a choice between two computers from rival competitors, a consumer might find a negligible difference between their features and price, but could pick one that has a significantly earlier delivery date. Thus, in addition to monetary costs, time and convenience enter the equation for value also. The consumer's opinion of a product's quality could also change over time. A car which always provided a smooth, quiet rider can suddenly emit some screeching sound at high speeds, which cannot be satisfactorily fixed by the authorized service technician. Given, the various factors that come into play in formulating the concept of quality, it is not surprising that experts in the field have noted that while quality is "easy to visualize and yet exasperatingly difficult to define" [2].

A starting point for a discussion of quality must necessarily begin with an understanding of its different dimensions and how they are perceived. These dimensions are exposed through the various aspects of a consumer's interaction with a provider and its products or services. Scholars have identified five basic definitions for quality depending upon where one is viewing it from within the concept–creation–delivery–experience cycle.

The transcendent definition approaches quality from a philosophical perspective, an object's innate excellence. When a consumer purchases a product either for use or consumption, he/she is essentially buying a bundle of attributes. For a food item, the bundle can include nutrition, taste, aroma, etc. The bundle will be more complex for versatile products such as cell phones, which the average consumer uses for a multitude of reasons. The customer's first judgment of quality pertains to how well this bundle is put together. Here, the relevant attributes of the product are necessarily wide and all encompassing. For example, the benefits accruing to a consumer at a coffee shop pertain not only to the taste and temperature of the beverage which he/she was served, but also the cleanliness of the cup, the ability of the cardboard ring outside to insulate his fingers from heat, the availability of chairs where he could be seated, the view from the windows of the store, etc. The costs will include not only the price of the coffee, but also how long he/she had to wait, how efficiently the queue was organized, etc.

The product-based definition approaches quality from an economic perspective, quality is a precise and measurable variable. Goods and services can be ranked by measuring the aggregate quantity of anticipated attributes that they possess. The implication of this definition is that quality can be planned for and produced by a repeatable process. The beginning of this process starts with the visualization of the goods/services bundle one wishes to create. The bundle must incorporate the relevant dimensions of quality that are important to the consumer. Moreover, the design of the bundle should also ideally elicit a positive emotional response from consumers belonging to the target market. For products with physical attributes, this entails how the product looks and feels to the consumer, but also how it completes the tasks which the consumer expects of it.

However, the final product could be a service and have no physical attributes. These service offerings have different elements in the design map compared to physical products. For example, the service environment together with the provider's ability to be flexible in meeting special consumer requests is some of the important criteria to consider in service design.

The idea that the same level of quality can be repetitively produced leads us to a manufacturing-based definition: conformance to requirements. Once engineering has defined the design specifications for a product or service, a process can be designed to produce that product or service in a receptivity fashion. Any deviation from the established specifications implies a reduction in quality. While the association of quality with a product or brand starts at the design stage, the final delivery of quality to the consumer is affected by both the manufacturing and logistical process.

The user-based definition approaches quality from a perceptual perspective: quality is in the eye of the beholder. As individuals, we are all unique because of our genetic predispositions, cultural and social backgrounds, and our experiences. Because of this, each one of us can best be satisfied with a product or service that delivers value based upon one's own particular preferences.

The value-based definition views quality as a function of benefits received versus the costs of acquisition. Thus, a quality product is perceived as one that provides performance at an acceptable price, or conformance at an acceptable cost. The concept of value that is derived from the product or service is crucial in determining long-term consumer satisfaction with the brand name that epitomizes the product. The challenge for the company is in determining quality measurements that equate to value.

A traditional view of measuring quality has been the measurement of the final product or service after it has already been delivered to the customer. We emphasize the viewing of quality in a dynamic context. Thus, instead of simply concentrating on evaluating quality based on a sample of the output, the focus should be on continuously monitoring the quality of the product as it is being created. Thus, appropriate points must be chosen in the transformation process to accomplish this monitoring. Both the tangible and intangible elements of the total product must also be monitored.

The design of the product/service bundle and its transformation from raw materials to the final offering must be geared to the expectations of the target market. Providers must manage the external marketing of the product or service to ensure that the promise epitomized by the brand name and image is appropriate to what has been created. While the emphasis on physical products is necessarily on tangible elements, the final delivery of the planned service to the consumer has to be based on careful thought to the actual service encounter. Thus, other than the choice of the appropriate technology and associated equipment, service delivery has to also consider the selection, motivation, and monitoring of employees. These factors are related to the internal marketing of quality, where the provider ensures that all elements within the organization are capable of delivering the quality promised in external marketing campaigns.

In some cases, the various threads of quality and how they are intertwined might appear to be outwardly contradictory. For example, the engineering attributes behind the utilitarian component of product design might appear to be far removed from the artistic elements that are part of an attractive product appearance. However, both must be incorporated into a successful product design. These dimensions must be identified not only from the point of view of the consumer and the manufacturer, but also from the perspective of all stakeholders. These include not only the employees, but also the community and society at large. This book's premise is that quality can be successfully created only if all stakeholders have a stake in improving the final delivered quality. Also, all stakeholders must come to the realization that all parties stand to benefit from participating in the process of creating better quality products and services, marketed by the firm.

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Chapter 2
Creating a Competitive Advantage

Competitive advantage is the lifeblood of every company. Without a competitive advantage, it is next to impossible to attract and retain customers on a sustainable basis. Without a stable base of customers, the company cannot consistently earn profits. Without sufficient profits, the company cannot repair, or replace, assets as they wear out; it cannot develop new products and service offerings; it cannot hire and train new employees as the businesses grow or as employees turn over; it cannot re-engineer processes, devise new work methods, or purchase new technology as market demands change. In other words, without a competitive advantage to differentiate it from its competitors, the company will eventually go out of business.

One of the principle tenets of economics is that as a market moves toward a condition of perfect competition, profits will decrease to zero. This does not mean that the company is not making money, only that their profit margins are zero. With the ever-increasing pressures of globalization, companies struggle to maintain their competitive advantages. The reason for this is simple; humans are very clever, and once they see and understand something, they can duplicate it. In addition, with increasing levels of competition, the profits in a given market will decrease. Furthermore, with the increasing connectivity associated with the advanced telecommunication technologies that are driving globalization, the economic barriers to entry (e.g., time and distance) that traditionally protected markets, are no longer effective. Given these factors, companies must continuously develop new products and services that leverage their competitive strengths and reset the profit curve.

Any product or service provided by a company should be aimed at satisfying a set of basic needs or wants of customers. However, in most cases, the typical consumer has a large number of providers to choose from. Thus, it is imperative for the provider to be competitive in order to attract a sufficient number of customers. Retaining the loyalty of this group of consumers and expanding it will be instrumental in enabling the company to earn a consistent strand of profits. This

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stable bundle of financial resource should in turn be the wellspring from which the company can draw on to attract other resources, in order to stay ahead of the competition and be foremost in the mind of the target segment as the primary provider of the consumer's basic needs and wants.

The first step in gaining a competitive advantage is to understand the demand landscape. Here, the company has to understand not only the customer's basic needs they are striving to satisfy, but also the other important factors that could influence their choice. Next, the company has to survey the competitive offerings available for the consumer and ensure that its own offerings provide more value. While these steps appear to be relatively straightforward, many companies are often too centered on their own brands and totally misjudge both the demand landscape and the relevant competitive threats. Thus, it is pertinent to carefully evaluate the essential guidelines for creating a competitive edge for the company's products.

2.1 Understanding the Demand Landscape

Instead of focusing on its own brand offerings, the marketer must first understand the basic needs and wants of the target consumer segment that it aims to serve. The two principle elements associated with the design of an offering are as follows: what is the primary need of the customers and what are the key differentiators for this market segment? For example, a restaurant's primary purpose is to eliminate the customer's task of preparing and cleaning up after preparation of a meal; the specific cuisine offered by the restaurant is a means of differentiating itself from its competitors. While this might seem obvious, the principle should apply to all product and service offerings.

In another instance, airlines exist to satisfy the need for large-scale, fast, and convenient transport from one part of the world to another. Differentiators in this service range from price, to scheduling, number of destinations, and in-flight services and comfort. Thus, when it started its services, Southwest Airlines (SWA) adjusted an important factor related to their target market's travel plans between Dallas and Houston. In addition to offering their "peanut fares" (i.e., low price), they also changed the airports their consumers used in their itinerary. Instead of driving longer distances to airports to catch their flights, travelers now got the option to go to airports such as Hobby and Love Field which were situated at more convenient locations. So, rather than concentrating solely on actual flying time between the two cities of Dallas and Houston, the management of SWA looked at the broader issue of the total travel experience between these two destinations.

When a company focuses on the basic needs and wants of its target market, it must strive to consider all factors that enter into the interaction between the product and the customer. In many cases, some of these factors might not appear to be related to the basic needs and wants. For example, a restaurant serving food at its current prices could see its sales volume drop because of increased crime in the neighborhood. In order to maintain a healthy, stress-free dining experience, the restaurant management might consider providing more security near the restaurant's dining and parking areas or provide valet parking services. In extreme situations, it could consider changing its location. In this case, the impact of location increased because of circumstances beyond the restaurant management's control. While some attributes such as the quality of food and service for a restaurant are expected to remain essential to the customer over time, other attributes such as the provision of additional parking spots or extra security might grow in importance.

In some instances, as in the case of smartphones, new features such as the ability to text and the availability of multiple applications (apps) can grow to be as important as the original basic quality of making and receiving phone calls. Thus, all products or services need to be periodically reviewed to insure that current elements of their design still play a part in consumer choice. This understanding of the demand landscape is the first step in the attempt to gain a competitive advantage. Here, the important criterion is the relative importance of each attribute and their interaction with each other. As described in the examples cited above, the relative importance of every attribute will vary with time. However, in mapping this network of needs and product charteristics and sevice attributes, the company must be cognizant of what the customer's basic needs are and how their product or sevice is expected to meet those needs.

2.2 Choosing the Competitive Space

When analyzing the demand landscape, it is important to note that consumer perceptions of how each product lives up to its expectations can be quite different from what the manufacturer thinks is the case. Thus, as a first step, a customer perception map of each product/service offering must be drawn. Here, it might be necessary to draw different perceptual maps for the different target markets that might exist for the product. In addition to using the demographic factors, such as age, income, gender, and ethnicity, the marketer can use its own intuition to choose the target markets. The perceptual maps should be based on analytical techniques such as factor analysis and/or multidimensional scaling.

Based on the results of the perceptual maps, the marketer can better understand both who its nearest competitors are and gain insights into potential new products that can occupy existing empty spaces in the perceptual maps for various target markets. The next step for the marketer is to aim to deliver the product that excels in providing value to the chosen target market. In order to do so, the marketer must carry out a conjoint analysis. An important initial step in carrying out this analysis is to choose the relevant product attributes and provide the consumer group evaluating the alternatives with a comprehensive but concise set of theoretical product alternatives. The respondents will then rank these different alternatives from the most to the least desired. In most cases, product price is one of the alternatives. It is important that the marketer has realistic estimates of the price points of each product alternative. The conjoint analysis procedure will provide "utility" values for each attribute included in the product alternatives. These values are essentially the output from the different trade-offs made by the respondent group in their ranking of the product alternatives. Based on the chosen utility levels for each attribute, including price, the marketer can decide on the combination of attributes together with the desired level of excellence required on each of them as a harbinger of what their product offering must aspire to be. The marketer must ensure that the excellence level at the desired utility points for each attribute are met by every item in their product line offered to their target market, thus, establishing the initial quality level for the products and/or services in the analysis. However, consumer evaluations of the balance between the benefits of the network of attributes and the various costs associated with them are likely to change over time. Because of this time phased variance, the quality level for each attribute can never be permanent. The marketer must constantly evaluate consumer evaluations to understand the quality level on each attribute it should aim for. Thus, quality aspirations for every product are never static but always dynamic in nature, as a response to changes in the environment, particularly because of technological and competitive shifts.

2.3 Defining Competitive Advantage

For decades, it has been espoused that companies are individually unique because of the mix of people and processes that constitute the organization, with people being the primary source of a company's competitive advantage. Though this is true, the products and services that a company markets to its customers are produced and delivered through the execution of processes, and processes are not unique. Unfortunately, both processes and their outputs (e.g., products and services) can be duplicated, and it is the products and services that are typically the basis of the customer's quality assessment of the company's brand.

If the product, or service, design meets customer's requirements and expectations, then properly designed transformational and delivery processes will insure that the intended functional benefits of the product and/or service are delivered. The question now is whether or not the customer perceives the benefits as meeting his/her expectations. If they do, then the customer will perceive the product and/or service as being of good quality and will be satisfied; if no, then the customer will be dissatisfied.

Regardless of the originality or innovativeness of the purpose and regardless of the fact that there may be numerous methods of producing the same results, there is only one optimal method for meeting a given objective. This optimal method will produce the desired results more efficiently than any other methods, thus yielding a competitive advantage with respect to cost and functionality.

In striving to achieve a competitive advantage, companies must recognize that customers do not buy products or services, they buy value, and value is a function of quality and price. The pricing of a product or service is driven by the cost of production, the size of the market, competitive actions, and other factors. Quality though is more difficult to quantify. Not only must product and service designers understand customer requirements and usages for the product or service, but they must also understand how the functionality of the product or the benefits of the service are perceived by their customers.

In the strategy literature, a common theme associated with competitive advantage is value creation. Competitive advantage has been described as the basis for the firm's performance in competitive markets. It is argued that competitive advantage is created and sustained through the value the firm creates for its customers in excess of its costs of creating said value. From a managerial perspective, a competitive advantage is the ability gained through attributes and resources in achieving a sustainable profit margin greater than the average profit margin of competitors within the same market. From the customer's perspective, a company has a competitive advantage when it has a sustained ability to create value for the customer at a rate greater than its competition. The major problem with understanding competitive advantage is in understanding value and how to create it. So, who is the arbiter of value? The simple answer is the customer.

2.4 Creating Competitive Advantage

The best strategy for the creation of competitive advantage is to deliver quality products and services at a competitive price. But, is this enough? No, you must deliver products and services that the customer perceives as higher quality than the alternatives. These products and services must also be perceived as being capable of being beneficial in satisfying their needs. One would think that if the product or service is actually of higher quality than competitive product, then everyone would perceive that fact. Unfortunately, because of our diverse worldviews and motivation, that is not true. To assume that quality is recognized the same by everyone violates the first law of reality.

Reality is not What Actual Occurs; Instead, It is What is Perceived to Have Occurred

Take the following example: Today everyone knows that four-wheel brakes are superior to two-wheel braking systems. This fact has always been true but has not always been perceived as being true. Take, for example, Rickenbacker Motor Company. This company used innovation as their competitive advantage, adopting it into both their designs and their engineering. Most of these innovative changes were readily accepted by the market. But in 1924, Rickenbacker equipped their new line of cars with four-wheel braking systems. This innovation was a major change from the common practice of vehicles only having a rear wheel braking system. This change from current practice allowed competitors to argue that four-wheel brakes were dangerous since they might put the car into a skid or, if they worked as designed, would throw passengers into the dashboard. Because of these criticisms of this innovation, Rickenbacker sales in the mid-1920s slowed, placing the company in financial troubles. Due to similar management miscues, the Rickenbacker Motor Company eventually went out of business. The year following the discontinuation of the four-wheel braking system by Rickenbacker, the firms that so ardently denounced that system incorporated it into their new car models and were able to successfully market the product. If Rickenbacker had factored consumer perceptions into the equation and worked to educate the buying public of the advantages of this safety feature, Rickenbacker Automotives might still be a major player in the automotive industry today.

2.4.1 Competitive Strategies

Strategy is focused upon understanding what customers want and systemically developing plans that align organizational resources and policies to deliver it to them. Companies typically have multiple layers of planning that are differentiated by both their time horizons and the breath of their objectives. Strategic planning has the longest time horizon, and its primary objective is the securing of resources necessary for the future creation and maintenance of a competitive advantage and the setting of priorities with respect to the usage of those resources.

The classical approach to developing competitive strategies is the structure–conduct–performance (SCP) paradigm. There are three principle elements to this paradigm: the structure of the industry, the conduct of the firms in that industry, and the performance of the firms within the industry. This paradigm suggests that structural changes will impact the conduct of the firm and the firm's performance and that changes in the firm's conduct will impact performance. A major criticism of the SCP paradigm is that "in practice, the firm's actions (conduct) and profitability (performance) can influence market structure."

The main assumption of the SCP paradigm is that market power is directly (positively) related to profitability. The causal relationship assumed in the SCP paradigm typically holds in homogeneous industries, rather than heterogeneous industries. A fundamental assumption of the SCP paradigm is that the most important factors in defining an industry's structure are the barriers to new entrants. The principle barriers to entry defined by the SCP paradigm are as follows: economies of scale, product differentiation advantages, and absolute cost advantages.

There are fourteen factors that are the common causes of entry barriers. Exogenous (economic or intrinsic) causes include capital requirements, economies of scale, product differentiation, absolute cost advantages, diversification, research and development intensity, high durability of firm-specific capital, and vertical integration. Endogenous (voluntary and strategic) causes include retaliation and preemptive actions, excess capacity, selling expenses (including advertising), patents, control over other strategic resources, and the scope of product offerings.

There are three basic strategies recommended for generating competitive strategies: the lowest cost, differentiation, and focus. These generic strategies are defined along two dimensions: scope and strength. Strategic scope is a demand-side dimension that captures the size and composition of the target market. Strategic strength is a supply-side dimension that defines the firm's core competencies. In formulating how to best apply a given strategy, Porter pointed out that there were optimal markets to strategy relationships. If a firm wished to serve a broad market with a low-cost strategy, it would need to establish a cost leadership position. On the other hand, if that company wanted to use a differentiation strategy, it would need to focus on how to differentiate its products and/or services from the competition. If the firm's chosen markets were narrow in scope, then a similar strategic approach would need to be tailored to each of those markets.

The differentiation strategy involves creating products that present customers with a higher-value proposition than other products in the market. This strategy typically works best in markets where the customer is not price sensitive, or the market is competitive or saturated, or where customers have specific requirements and the firm has unique resources and/or capabilities which enable it to satisfy these requirements in ways that are difficult to copy. A dressmaker could create innovative designs because of its studio of creative artists who constantly turned out dresses which caught the public's attention. The particular studio could attract creative designers because of their extrinsic and intrinsic rewards. Creative designers considered it a boon to their careers to be working for this particular studio.

Within the focus strategy, there are three variants: a cost focus, a differentiation focus, and the cost and differentiation focus. This strategy focuses on describing the scope over which the company should compete based on cost leadership or differentiation. By targeting narrow markets (also called a segmentation or niche markets), the company could choose to compete on the basis of either low prices or differentiated depending on the needs of the selected market and the firm's resources and capabilities. Although there were few concert pianists, a software company could be successful by creating software that catered only to their interests, by making products that, through sound recognition, removed the chore of turning the pages of sheet music during rehearsal.

The implementation of total quality (TQ) directly influences the firm's competitive position, thereby constraining the strategic options available to the firm. TQ can effectively govern much of what conventionally required executive-level strategic planning. The implications of this comment are that if the company is continuously improving its quality, other strategic considerations may become unimportant. Basically, with TQ properly implemented, the firm will have a corporate-wide focus on the customer, will implement quality starting at the initial product/service planning, and will produce the product/service right the first time. Thus, the firm will be in the position of applying simultaneously a cost leadership strategy and a product differentiation strategy. As noted in the Rickenbacker automotive example, "higher quality does not ensure competitive success; marketing issues such as timing and technical standards can undermine even the finest of products". Therefore, the implementation of strategy requires a holistic plan addressing the customer's perceptions as well as market conditions and timing issues.

2.4.2 The Competitive Dilemma

Economic theory tells us that as competition in a given market increases, the profits in that market will decrease. This occurs because as competitive pressures increase, companies will decrease pricings, striving to generate more sells. Eventually, this behavior, in the long term, results in zero profits. To negate this result, companies must continuously introduce new products and services, thus resetting the price curve. The dilemma comes in with customer expectations. Each time a company introduces a new product or service, it must re-excite the customer, but by doing so, the company resets the bar for what the customer will expect the next time. If the features of the new product or benefits of the new service are not sufficiently different, and better, than the previous model, the customer will perceive the deceit and will abandon the company. If the features of the new product or benefits of the new service are sufficiently different, and better, than the previous model, the customer will expect even more with the next product/service offering. Furthermore, if the industry segment as a whole introduces to many products or services into short a time period, the customer will start suffering fatigue.

Chapter 3
The Value Proposition

As mentioned in the introduction, the purpose of any business is to generate money. The logic behind this objective is that without financial viability, the business cannot maintain or grow resources. The business will not be able to develop new products or services, hire, and pay employees or any other activity that society regards. The question is how does a business consistently generate money? The simple answer is through the creation of value for its customers, employees, investors, and the country. Furthermore, due to the interests of these three groups being inextricably linked, sustained value can only occur when value is created for all three groups simultaneously.

So, what is meant by value? Historically, value has been defined along two concepts: usage value and exchange value. Usage value is a perceived assessment that is based upon the perceived benefits of a product or service. This measure of value is subjective and changes over time. Exchange value is a quantitative assessment based upon the revenue received from the sale of a product or service in the marketplace. This value can only be generated once per unit. These traditional views of value are very limiting to a company interested in improving its competitive positioning and improving it customer's satisfaction. Ultimately, customer value is conceptual in nature and is often thought of as the different between the perceived benefits of a transaction and the sacrifices associated with obtaining those benefits.

3.1 Benefits and Sacrifices

The benefits received by the customer that are inherent to the product are performance, conformance to specifications, reliability, and safety. In contrast, the perceived strategic benefits for the provider are its expertise, competencies, the advantages its products have over its competitors, and the availability of new products.

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The perceived personal benefits to the customer are pleasant experience, satisfying, personal value, and recognition. The sacrifices made by the customer are the time and effort expended on the product search, the montetary price paid for the product or service, and an opportunity cost associated with the loss of functional benefits should the product or service be less than perfect.

3.2 Value and Motivation

Value is defined as "desirable, transituational goals, varying in importance, that serve as guiding principles in people's lives." The main factor in understanding value and the differences within these value types is to understand the motivational goals that they are an expression for. At its basic level, human existence centers on biological needs, social interaction, and survival. There are ten types of motivational factors: power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity, and security.

The strength of these values in motivating individual actions is strongly related to their cultural upbringing. In horizontal societies as in many Asian cultures, individuals value equality and tend to view themselves as having the same status as other members within that society. Individuals that are more concerned with welfare than with their own advancement are motivated by self-transcendent values. In vertical societies as in Western cultures, individuals see themselves as different from other members of that society and accept inequality and believe that rank has its privileges. Individuals that are more concerned with their own welfare than with their own advancement are motivated by self-transcendent values; whereas individuals that are concerned with their own welfare and success are motivated by self-enhancement values.

3.2.1 Motivational Theories

Motivation is what drives people and why people think and behave as they do. In the literature on motivation, numerous theories have been developed. Three of the more noted general theories on motivation are: Clark Hull's drive theory, Kurt Lewin's field theory, and Victor Vroom's expectancy theory.

3.2.1.1 The Drive Theory

Whenever a person is stimulated by a desire and by a specific goal and that goal is achieved by a given response, the bond between the stimulus and the response is strengthened. When the goal is not achieved, the bond is weakened. Hull asserts that for a prior association to be displayed, there had to be some unsatisfied need driving the action. This drive seeks to return the individual's physiological state back to equilibrium. Mathematically, this behavior is modeled as follows:

$$\text{Behavior} = \text{Drive} \times \text{Habit}$$

For example, the needs of a very young baby are few and unlearned. From time to time, he needs milk (drive). The milk is supplied by the mother, who usually appears just before the milk (habit). After a number of such experiences, the child learns to want the mother herself and her presence becomes satisfying even when the baby is not hungry (behavior).

3.2.1.2 The Field Theory

Kurt Lewin's field theory assumes that behavior is determined by the totality of an individual's circumstances. In this theory, 'field' is defined as 'the totality of coexisting facts which are conceived of as mutually interdependent.' Lewin believed that individuals behaved in accordance with the way in which their tensions (the magnitude of need) between their perceptions of self and of the environment were internally processed. Mathematically, behavior is modeled as follows:

$$\text{Behavior} = F(\text{Person, Environment})$$

Therefore, the motivational force to act is determined by the magnitude of the individual's need (tension), their goal (valence), and the perceived psychological distance between themselves and their goal which are modeled as follows:

$$\text{Motivational Force (MF)} = F(\text{Tension/Valance})/e$$

The logic driving this theory is that when a person needs or desires something, he or she is in a state of tension. A need is Lewin's basic motivational concept. It may arise from a physiological condition such as hunger or may be a desire or intention to do something. Needs release energy, increase tension, and determine the strength of vectors and valences.

The field of the person is in a state of tension whenever a need exists. A positive or negative valence is the attraction or repulsion that a region in the psychological environment has for the individual. Positive valence exists when the person believes that the region will reduce tension by meeting their needs. Negative valence occurs when the person believes that the region will increase tension or threatens injury.

A vector is a force that arises from a need that acts on the person and determines the direction in which he or she moves through the psychological environment. For every region with a positive valence, a vector pushes the person in its direction. With a negative valence, a vector pushes the person away from it.

We build tension in order to motivate ourselves to learn and experience new things. When we complete tasks, the tension is released. This sense of relief is related with the closure that is acquired when you finish what you start. Life is a constant interchange between completing old situations and introducing new ones. If we are alive and well, then there is always excitement, tension, and possibilities.

You can get closure and reduce tension, but the tension is never eliminated because we keep our systems open to be able to explore new events, people, and possibilities. This theory also applies to cases where a person is focused on completing a task or solving a problem. An example here is a teenager who would like to see his/her favorite music group when they are touring his/her hometown. The tension rises when the teenager hears that the tickets are all sold out. Thus, when a friend gives him his ticket because he was going to be out of town, the teenager feels relieved and happy. However, as the ticket is in the "nose bleed" section, the teenager still feels inclined to see if any of his other friends and acquaintances will give him an opportunity to move to a better seat within the theater.

3.2.1.3 The Expectancy Theory

Proposed by Victor Vroom in 1964, the expectancy theory states that the intensity of an inclination to perform a task is dependent on the intensity of the expectation that the successful execution of the task will result in a certain outcome and on the strength of the appeal that the outcome has for the individual. In other words, a person's motivation for producing a given outcome will depend on the desirability of the reward offered (valence), the likelihood that the effort will result in the expected outcome (expectancy), and the strength of their belief that achieving the outcome will actually lead to receiving the reward (instrument). Mathematically, the expectancy theory can be modeled as follows:

$$\text{Motivational Force (MF)} = \text{Valance} \times \text{Expectancy} \times \text{Instrumentality}$$

The expectancy theory concentrates on three relationships:

- The effort–performance relationship: This relationship focuses on the likelihood that the individual's effort will be recognized in the performance appraisal. Basically, there is a high probability that the individual will be able to perform the behavior if they try.
- The performance–reward relationship: This relationship focuses on the extent to which the individual believes that getting a good performance appraisal leads to the rewards.
- The rewards–personal goals relationship: This relationship focuses on the attractiveness of the potential reward to the individual.

If any of these three relationships are lacking, the individual is unlikely to direct his or her efforts toward the particular action. For example, an employer might say that productivity is down because of long lunch breaks. The employer is willing to give employees a 5 % raise to shorten their lunch breaks. Valence is measured from -100 to 100. In this instance, valence could be 50 (how attractive the reward is). Expectancy is measured on a 0–1 scale. Expectancy here could be 0.9, the likelihood that the individual would satisfy the criteria to receive the reward. Instrumentality is also measured on a 0–1 scale. Instrumentality is the probability that the employer will do what they promise, which could be 0.8 in this situation. To calculate the motivational force for employees to shorten their lunch break, you would have (50) (0.9) (0.8) = 36. Motivational forces max out at 100, so a force of 36 will most likely not encourage employees to direct their efforts towards reducing the time spent at lunch.

3.2.2 Types of Motivational Goals

Research has found ten common value motivators that are consistent between individuals on the things they value in life. These stated values, or motivators, were also found to be related to each other and are reoccuring across time, countries, and cultures. These ten value motivators are described as follows:

The first type of value motivator is power. It is based on social status and prestige, and control. As a concept, power is value dependent. There are several types of power: confirmed power, wasted power, hidden power, and unknown power. Confirmed power is recognized by, both, you and others. Wasted power occurs when others recognize that you have it, but you do not. Hidden power occurs when you believe you have it but others do not. Unknown power exists when you and others do not believe you have it.

There are six stages in the development of personal power: powerlessness, association, achievement, reflection, purpose, and wisdom. The individual's initial stage is powerlessness. The individual will remain in this stage until he learns how things work in his environment and gets to know the other members in his environment and how to influence them. The next stage of power development comes from those we associate with. By gaining the respect and trust of those in our environment, the individual can start leveraging their power. The third stage of power is achievement. This power is acquired through our actions. Our successes become persuasive evidence that others will perceive as leading to more success. This type of power will multiply as others cede their power to those who prove their ability, which in turn allows them to achieve even further. The fourth stage of power is reflection. By reflecting on what we have seen, done, and learned, we realize that we have a personal power upon which we can draw. Individuals at this stage of development are often competent and display sound judgment and integrity. The focus and commitment associated with striving for a higher purpose, or struggling for a just cause, create power. Because this inner power is often so much greater than the power of others, it can influence their decisions. Examples of this type of power can be seen in great leaders when they show purpose in a stirring speech or in powerful and symbolic actions. The sixth stage of power is wisdom and comes when people feel a deep connection with the universe or some spiritual source. These individuals often display contentment and live life on an 'even keel.' They are capable of knowing and accepting powerlessness and in doing so frequently find ultimate power.

The second type of value motivator is achievement. It is focused on the need to demonstrate one's competence as measured by some social standard. Achievement is positively related to the personal value of self-respect, as well as the cultural indicator of economic development. The values of achievement and power are positively related to vertical cultures, but are negatively related to horizontal cultures. The goal of the achievement value type is personal success, and this goal is reached through the demonstration of competence as defined by some social standard.

The third type of value motivator is hedonism, which is centered on self-gratification and pleasure. It has even been argued that pleasure is the only intrinsic good. This school of thought states that people are motivated by the need to maximize value for themselves and thus find the maximal balance of pleasure over pain.

The fourth type of value motivator is stimulation. Though similar to hedonism, it finds value in excitement, novelty, and challenge. Presumably, variety and stimulation help us maintain optimal levels of activation and lead us to possess stimulation values which are likely related to self-direction values. Our need for control and mastery, as well as autonomy and independence, lead us to desire self-direction, which involves creativity, exploration, freedom and independence.

The fifth type of value motivator is universalism, which values understanding, appreciation, and tolerance through wisdom and an open mindedness, as well as protection for the welfare of all people and for nature. People recognize that neglecting nature will lead to loss of natural resources on which life depends. By the same token, having intolerance for individuals outside of one's immediate group will lead to life-threatening strife. These values are virtually present in most cultures, with the exception of isolated, homogenous, smaller ones. Universalism involves the maturity value type which seems to emerge from human requirements empirically (verifiable through observations) rather than a priori (theoretical deduction). Also included is a part of prosocial value type. When groups or individuals recognize scarcity of natural resources after coming in contact with other individuals who are outside of their immediate group, they experience survival needs. Those survivals needs give rise to the motivational goal of universalism values (i.e., tolerance, protection for the welfare of all people and for nature).

Research stresses importance on differentiating between the two types of prosocial concern (universalism and benevolence) based on collectivist versus individualist types of cultures. While the welfare of members belonging to the same cultural group is taken into great consideration in collectivist societies, relative needs of members of the out-group are treated indifferently. However, this is not true in individualist cultures where less emphasis is put on the distinction of in-groups' and out-groups' needs. According to this pattern, collectivist cultures focus more on benevolence than on universalism values, and individualist cultures do not weigh either value type as higher than the other.

There are eleven types of motivational values that address three basic theoretical questions: (1) Are all of the value types present as distinctive organizing principles in all samples? (2) Do the same specific values constitute each motivational type in each culture? and (3) Are any other value types necessary to account for the organization of single values? Within each sample, correlations among single values are represented by multidimensional space. By examining two-dimensional projections of the multidimensional space, one can operationally derive evidence for or against the existence of value types, as well as their consistency of single values. It is possible that there will be variation in the location of single values and