# Three-Factor Theory from the Perspective of Incentive Process

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#### Abstract

This paper first expounds the Herzberg's breakthrough cognition of working attitude, and then gives a short overview of the birth and formation of the two-factor theory, and points out the limitations of the two-factor theory. After that, the paper focuses on analyzing the limitations of the division of factors and the classification of factors and based on the proposed improvement ideas, a new reformative three-factor theory is proposed.

Keywords: the two-factor theory; process of motivation; constructive factors; the three-factor theory

#### Introduction

Incentive problem is the core problem of management. Management scientists might be able to predict, plan, and control the financial and material resources, but for human resources, especially the internal potential and the possible level of effort is difficult to be predicted and controlled. Therefore, how to effectively motivate employees and fully stimulate their ability and level of effort has become a key and difficult issue.

Need is the starting point of all the activities of human beings, and it is the basic power of human activity. Marx once said: "Anyone who does not at the same time work for his own needs and the need of the organ, it cannot do anything" l 11. Need is the impulsion of incentives, only by starting from people's need can we seize the fundamental help to arouse the enthusiasm of work and positivity of the enterprise staff l 21. Thus, the study of the need is an important basis for the study of motivation.

Since the 20's and 30's, from the perspective of people's needs, the domestic and foreign scholars have done lots of research about incentive. These studies have continued and formed variety theories of the hierarchy of needs. Among them, Maslow's hierarchy of needs, the two-factor theory, the ERG theory and the need for achievement theory are the most representative. It is worth noticing that the two-factor theory uses work as a standard to divide incentives, and takes work as a new perspective to explore the incentive effect of the job enrichment for employees. The theory also adds many needs that closely contact with work, such as job content and working interest, which expands and develops the hierarchy of needs theory. Also, Herzberg believes that people can only fmd their own value in work, which means that Herzberg removed the free choice of people outside of work. Although this view makes the two-factor theory narrower than other demand theories in the research, it also shows that the two-factor theory is more suitable for the field of management.

However, due to the differences of the historical background and regional culture, the division of factors of the two-factor theory has a few limitations in some ways, and it is not suitable for the employees of our country for now. Therefore, the author puts forward a new incentive plan to improve the theory.

## A Brief Overview of the Two-Factor Theory

The traditional view may suggest that the opposite of "satisfaction" is "dissatisfaction." However, Frederick Herzberg objected to it and gave his new ideas: the opposite of

"satisfaction" is not "dissatisfaction," but "no satisfaction." Similarly, "dissatisfaction" is the opposite of "no dissatisfaction," not the "satisfaction." Herzberg is a famous American psychologist, management theorist and behavioral scientist, and he is also the founder of the two-factor theory. He received medical education in the School of Public Health when he worked on his master degree. During this period, he had published a paper entitled "mental health is not the opposite of mental defect." He also worked as a research director at the University of Pittsburgh's Psychological Services Department and had conducted a morale survey for some well-known companies. Given the above educational background and experience, Herzberg has come to a groundbreaking point of view, which is the "dissatisfaction" is not the opposite of "satisfaction".

Herzberg quotes the concept of mental health and mental defect to divide the employee satisfaction. In a general sense, mental health has always been regarded as the opposite of mental defect, which means a certain person would be judged as a mental health just because he has not yet found his mental defect. This conventional wisdom focuses more attention on psychological defects, such as poor working environment and conditions, anxious interpersonal relationships, frustration, trauma and so on, which ignores the concept of mental health. In fact, mental health and mental defect respectively belong to different categories. Mental health represents the degree of health, and mental defect represents the extent of the defect. In the same way, Herzberg argues that the "satisfaction" and "dissatisfaction" also belong to two completely different attitude dimensions; the so-called "satisfaction" is another expression of "dissatisfaction."

Herzberg conducted a large-scale experimental study in 1959, which led to the birth of the two-factor theory. Herzberg *et al.* (1959) [31] selected nine companies from Pittsburgh, which is the center of heavy industry, and he selected about 200 engineers and accountants in the nine companies as the survey sample. Then, the researchers interviewed the subjects one by one to inquire about their attitude towards work. During the interview, the researchers asked each of the subjects to recall one or a few pieces especially gratifying things that were produced at work; also asked each subject to explain why they felt satisfied at that time, and explain whether the satisfaction would affect their job performance, relationship with others, and personal happiness. And then, the researchers asked each of the subjects to recall something unhappy in the job. All these events must be specific about time, place and plot, and were directly related to work.

After collecting data through interviews, Herzberg used the posterior method of content analysis to extract different categories of a sequence of events from the resources (including long-term sequence, short-term sequence, high sequence and low sequence). Then, Herzberg found a new category as the basis of the analysis, namely the first level of factors, the second level of factors and effect. Herzberg defmed the first level factors as objective factors that make the subjects feel satisfied or unhappy about the job. These factors can be summed up as recognition, achievement, the possibility of growth, advancement, salary, interpersonal relationship, supervision, responsibility, company policy and administration, working conditions, work itself, factors in personal life, status and job security. The second level factors are concerned about the psychological reaction of the subjects, including eleven factors, such as the sense of recognition, the sense of achievement, the sense of responsibility, the sense of belonging, the sense of fairness or unfairness and so on.

Herzberg successively analyzed the data of high and low sequence and found that the factors are associated with the work itself, such as achievement, recognition, work itself, responsibility, advancement and other factors. They can stimulate the enthusiasm of staffs and bring them satisfaction. Moreover, working conditions, interpersonal relationship,

supervision, company policy and administration, factors of personal life and job security are related to work environment. These factors have nothing to do with job satisfaction but often cause job dissatisfaction. Among them, the company's policy and administration are the most important factor causing job dissatisfaction. Salary is more special. It can not only make people satisfied with the work but also make people dissatisfied with the work. Salary as a factor in the low sequence revolves around the company's unfair salary system and often refers to a pay rise rather than absolute salary value. They describe the salary management system, the difficulty of a rise, or slow pay, or unfair salary. In contrast, in the high sequence, salary is more a personal achievement; it is a kind of recognition. The meaning of salary is not the material value, but up to the spiritual level. From the overall perspective, Herzberg believes that salary should be more likely to be classified to the external conditions of work. Therefore, salary is an unsatisfactory factor.

Herzberg drew three conclusions from this experiment. First, the work attitude has a very large effect on the change of employee productivity and the stability of the adjustment. Secondly, satisfaction factors and dissatisfaction factors not only reflected in the differences of the nature of the two factors but also reflected in the difference of the effect quantity of the two factors. Third, "satisfaction" and "dissatisfaction" are not two opposite feelings. That is to say, the opposite of "satisfaction" is not "dissatisfaction," but "no satisfaction"; the opposite of "dissatisfaction" is not "satisfaction," but "no dissatisfaction."

Subsequently, Herzberg names the dissatisfaction factors as the hygiene factors and the satisfaction factors as the motivators. As a result of his study, he finds that the hygiene factors are related to the surrounding working conditions, which Herzberg also calls them extra-job factors and the motivators are related to the job itself, which Herzberg also calls them job factors. Among them, the functions of the hygiene factors are similar to the basic principles of health care. The function of health care is to remove the factors that are harmful to health in life; its function is not treatment but prevention. The impact of hygiene factors to individuals can be conceptualized as "preventive effect," including supervision, interpersonal relationship, working conditions, salary, company policy and administration, welfare policy and job security. When these factors deteriorate to the extent that the staff cannot accept, then the attendant will have an unhappy or bad attitude. However, even if these factors are in the best condition, it can only prevent the emergence of dissatisfaction, and it cannot promote positive emotions. The incentive effect can only come through the motivators, which could allow individuals to realize aspirations and expectations. The impact of such factors on the individual can be conceptualized as "attainable effect," including achievements, recognition, works itself, responsibility, advancement, and the possibility of growth. The above contents constitute Herzberg's two-factor theory.

## The Limitations of the Two-Factor Theory

It has been 56 years since the development of the two-factor theory. The cultural differences, the social backgrounds at that time, the relatively backward scientific research methods and the changes of the times have made it impossible for the two-factor theory to apply to the management of enterprises in China today fully. Many scholars have tested the validity of the theory, and pointed out the limitations of the two-factor theory, for example, the sample source, research methods, the factors of the division and other aspects. On this basis, I have made a detailed analysis of the limitations of the factors' division standard, aiming to form a more rigorous and suitable theory to solve the incentive problem for our country's enterprise staff.

Herzberg took the job as a standard of dividing factors. I believe that the limitations of this classification are mainly reflected in two aspects: first, the factors that exist after the

division are overlapping. In this case, the performance is that the hygiene factors are not identical with each other, which is not only the material factors but also the spiritual factors; and both contain the factors that have the stimulation effect and the factor that have no incentive effect, for example, relationships and supervision. Work relationship refers to the relationship between the enterprise and superiors, subordinates and peers. Supervision refers to whether the superiors have leadership skills, willingness to authorize, guide and support the subordinates. In fact, both belong to Maslow's hierarchy of needs theory is belonging needs. Therefore, both are spiritual. Yu Wenzhao, Hu Bei, Xu Kunpeng and other scholars perform a study on whether the interpersonal relationship is a motivating factor. The research results show that in our country, the interpersonal relationship has the incentive effect. Moreover, the interpersonal relationship is the most influential factor affecting the job satisfaction 1<sup>41</sup> [SJ 1<sup>61</sup>• Sun Duoyong makes a classification, statistics, and comparison of the incentives characteristics of the police officers. The results show that interpersonal relationship and supervision are the most outstanding factors after the recognition and achievement[7]. Obviously, in China, Herzberg 's interpersonal relationship and supervision do not have a stimulating effect, because his interpretation of this point of view is relatively weak.

Second, work, as a division standard is a lack of dynamic. The changing speed of the external environment of work is relatively slower than work it self's, and thus the speed of change may not be able to keep up with the changing needs of employees. The tangible capital assets of social enterprises, especially the physical resources, are of great value, which has the characteristics of long service life and poor mobility. That is to say, the improvement of working environment and production tools, equipment, etc., will be limited by time and space. Similarly, the promotion of a series of company security system level is limited to the size of the static scale of financial resources of the enterprise and the status of the dynamic turnover; pay-as-you-go is a basic principle that enterprises use to consider their financial resources. As a result, factors related to the conditions that surround the work are relatively fixed content for employees; it is difficult to change at any time to adapt to and meet the dynamic needs of employees. Therefore, Herzberg ignores the analysis of the dynamic changes in the demand for employees in the division of factors.

The main representative theories of the process theory, such as Vroom's expectancy theory, the goal-setting theory of Locke and Hughes and Adams' equity theory described a dynamic incentive process. The main purpose of the process theory is to find out the key factors that affect the behavior of people, and fmd out the link between these key factors, to achieve the purpose of predicting and controlling human behavior. From meeting the needs of employees to achieve organizational goals is a process, which the dynamic is reflected in it. You can set a certain goal to affect the needs of workers, so as to motivate employees.

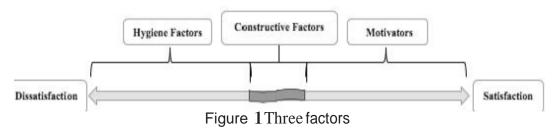
#### My View of Factor Division

Based on the above analysis, I believe that it should be based on the dynamic perspective to identify the factors that have more universal and dynamic division of standards. According to the theory of management process, management is a process. For such a process one can sum up some basic management principles, which have implications for understanding and improving management tools based on the experience of people in all kinds of enterprises and organizations gained in the long-term management. Harold Koontz, the main representative of the American School of processes, divides management into five processes: planning, organization, employment, leadership, and control. Among them, the planning is to select the target and determine the implementation measures, the organization is to design a certain target of the authority and to send people to take these responsibilities, employment

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Based on the above views, I believe that buic, COIIS1I'llcti.ve and incemive factor8 as the division <u>standri</u> should be taken. Thus, in addition to the hygiene factors and motivatoJ:s, there should exist the CG S1rllclive factor&. The "COGS1rllclive factors" refm to the factors 1hat can fudher optimize lhe incentive mode by maintenance, so that lhe in.cemive effect from weak to stro11g ud to the perfection of sustainable development can be achieved. The COIISU.'a.c:Uve factors should possess incemive effect grea1et Chan lhat of the hygiene facton and less than the motivatonl'. The cons1rllctive factors play a coiiSlrW:live role in motivating employees, which aims to optimize the ince!Wve gradully. W'llh the gradual improvement of the COIIS1rllcti.vc factors, lhe employees' job salisfaction is gradually incl:eued from no dlaallllafaction to satisfaction.

From the perspective of the process to optimize lhe incentive, enterprises should follow the following stages: fint, explore the needs of employees. Second, mDet the basic needs of 8Uiff (meet the hygiene factor8), to el18\lre 1\hat employee wiD. DOt produce dissatisfaction. Then, implement lhe coostructive facton. 011. the ooe haDd, it is to qwimi:u: the incentive, and on the other, it can lead aDd motivate employees to foxm llle iDDtr drive of tell-motivation. and boost lhe employees' job satisfaction. Finally, it can meet the needs of the motivators to make employees p:r:oduce jab satisfaction, and cmy out the moat intensive inceD.ti.ve to ille self-realization and oilier high-level Deeds of employees. Hygieoe factors, c0111ltructive facton and molivalorll axe an indispmsable ooo:rdin.aDon of the whole. To meet these three factar8 iB DOt tigid iII the order li:om. the hygieoe factora to the C0118t1'11Cti.-re factors to motivators, One should choose to implement targeted and irritating factors to moti.va!e people according to lhe.ir demmd\_characteristics. & in figure I;



#### My View of Factor Classification

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The paper reclassifies all the factors into different categories after division of those factors. When we talk about categories, we mean it is a set of objects that have the same properties. All the objects in one category can be called object classes. According to the Type Theory, all the object classes that combine into a category would certainly have all the properties of the category. For example, supervision, status, salary, interpersonal relations, working conditions, company policy and administration can all be considered as object classes if we consider the hygiene factors as a category. Each sub-factor should have all the properties of hygiene factors. So it is with sub-factors of constructive factors and motivators, each of which should have all the properties of its category. As mentioned above, hygiene factors meet employee's needs for treatment while motivators meet employee's needs for creativity. Hygiene factors will not motivate while motivators will. This means that hygiene factors can be regarded as materiality and non-incentive, and motivators are spirituality and incentive. After analyzing the incentive nature of the 15 sub-factors presented by Herzberg, the research finds that sub-factors such as salary, working conditions, company policies, company administration and security system are materiality motivation for employees while subfactors such as recognition, responsibility, achievement, advancement, possibility of growth and work itself are spirituality motivation; some sub-factors that have different properties with their category, such as interpersonal relations, supervision and status are factors worth discussing; some sub-factors need to be reclassified by further division or integration because they contain multi-level contents, for example, salary, work itself and possibility of growth. Therefore, from the point of factors' properties, the author thinks that the 15 factors presented by Herzberg should be reclassified based on the three-factor division. Certainly, the author doesn't mean to deny the applicability of the two-factor theory. But because the cultural background in different countries and regions differs widely, it is necessary to construct a factor system that accords with the Chinese conditions. The author will analyze the special factors one by one.

Interpersonal relations. The concept of interpersonal relationship was firstly presented by American Society for Personnel Administration (ASPA) in the early 20th century, and was developed into theory of human relation by American behavioral scientist George Elton Mayo in the 1920s. Interpersonal relationship is a psychological relationship formed in the process of mutual communication among people. Interpersonal relationship in an enterprise presented as a psychological connection built between employees and their higher or lower authorities or their colleagues. The connection is non-material because it meets employees' social needs and is dependent on their will. In this case, will interpersonal relationship motivate? Against the culture background with the core of Confucianism in China, the content of interpersonal relationship is very rich; it is a word with multiple different meanings. When people discuss interpersonal relationship in China in the international academic fields, they commonly use the Chinese pinyin "Guanxi" [10] instead of English words such as relationship, connection or networking just because those English words are unable to fully cover the cultural connotation of interpersonal relationship in China. This shows there is big difference between interpersonal relationships under the background of the West social culture and the background of special social cultural traditions of China.

Professor Fei Xiaotong, a sociologist of China, has presented the concept of "acquaintance society" in *Native China*, a book he finished in the 1940s. In this book, he analyzed the structural characteristic of interpersonal relationship in the Chinese society. Fei pointed out that traditional Chinese society has very huge, complicated

relation networks; the familiarity of people is important treasure [111. Mr. Xu Languang pointed out, when explaining the tradition culture of China that the characteristic of Chinese interpersonal relationship is the key to understanding the living and working styles of Chinese [1<sup>21</sup>. The interpersonal relationship at work can be embodied by the concept "informal organization" which was presented by George Elton Mayo through the familiar "Hawthorn experiments." When working together, people automatically form groups without formal rules based on feelings, preferences, and personalities. These groups are not restricted by administrations and management levels of formal organizations [131]. An informal organization, which is more secure and intimate suites members' needs for belonging and security, enhances the cohesion of the organization, benefits the communication of members and contributes to the achievement of organization goals. When facing with interpersonal relationship problems in enterprises in China, the managers should pay more attentions to their subordinates, construct harmonious interpersonal relationships with them to be more prestigious, more appealing and more convincible to achieve better effects when managing and encouraging employees; the employees should try to communicate effectively with their superiors and colleagues, establish harmonious relationships with them to work more efficiently and to meet emotional needs of themselves; the enterprises should develop good interpersonal relationship, build a relatively pleasant, relaxed work environment and construct a cohesive work team. These methods will certainly enhance the sense of belonging and loyalty of employees to the enterprise, keep staff stay in the enterprise and motivate the staff to leverage themselves to get the best benefits for the enterprise. Herzberg thought the interpersonal relationship was a hygiene factor in the West while Toshimichi Haraguchi, a Japanese scholar pointed out that it was a motivator in the East Asia [4] • As mentioned above, some scholars such as Yu Wenzhao, Hu Bei, Xu Kunpeng and Sun Duoyong presented that the stimulating function of interpersonal relationship could not be ignored in China, especially regarding mental employees.

According to the Hierarchy of Needs, proposed by Abraham H. Maslow, the famous social psychologist in America, man has various motives and needs as a whole. Maslow divided human needs into five levels, including physiological needs, security needs, love and belonging needs, esteem needs and self-actualization needs when arranged from low to high. The physiological needs and the security needs are lower level needs while the love and belonging needs, the esteem needs and the self-actualization needs are higher level needs. The higher the level of needs, the more difficult it is to meet. As a form of expression of love and belonging needs, interpersonal relationship is in the middle level of Maslow's hierarchy of needs. As mentioned above, the motivation effects and the needs levels of the interpersonal relationship are both higher than basic hygiene factors, which make it one of the constructive factors.

Supervision. The supervision mentioned by Herzberg means supervisor of staff. However, Herzberg separated it from interpersonal relationship. Supervision emphasizes more particularly on describing if the supervisors have leadership skills, if they are fair or not, and **if** they are willing to decentralization and to guide and support their subordinates or not. Administrators can affect staff's emotions and feelings directly. Administrators who are willing to guide and support their subordinates, who can recognize subordinates' working abilities and decentralize appropriately, will help their subordinates feel a sense of belonging and respect. So, supervision is undoubtedly an effective factor that can get staff motivated. Joyce and

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Remus believed that the positive actions of administrators could affect thinking, feelings and activities of their subordinates. Through the process of emotional appeal, the positive mental attitude of administrators will spread in the organization [151. Sometimes, effects of supervision can be reflected by motivate actions such as recognizing and empowering employees and making employees feel a sense of responsibility. The author believes that in the working environment of an enterprise, activities of administrators, or supervision is a directly and effectively constructive factor that affects employees' motivation.

- Status. In the two-factor theory of Herzberg, status is believed to be reflections of the changes in job status, which are irrelevant to work. In other words, the improvement of the status does not mean the promotion of the position, but more particularly mean someone "get a new secretary, can drive the company's car or cannot use company's cafeteria" [ 161 In fact, changes above can also be seen as an improvement of employee benefits, which is a non-monetary treatment supplied by enterprises to employees to meet employees' needs for treatment. Improvement of this kind of factors can make employees feel a certain degree of satisfaction, but the improvement alone cannot motivate employees to improve the working performance. So the author considers status a spiritual incentive method, which takes material treatment as the carrier.
- (!)Salary. Along with the development of human resource management science and modem enterprise practice, salary is taking a more important role because of its motivation effect. Lots of scholars have divided salary into different ways from the view of content hierarchy. Ren Jie and Li Dan divide salary into fixed salary and flexible salary [17]. Their study fmds that the motivate effect of differential salary system based on the relative fairness is higher than that of fixed salary system; the former can lead to employee satisfaction. Jiang Chunyan argues that the salary should be divided into three parts including the regular salary, the floated salary and the performance salary [181] Among them, the regular salary is for the basic living security of employees, which means that this part of salary is a hygiene factor; the floated salary and the performance salary are part of the motivators. Jiang Chunyan believes that if we arrange the three parts of salary from low to high level by their motivating effect, the arrangement should be the regular salary, the performance salary and the floated salary. This arrangement shows that the motivating effect of salary is gradual and the property is in transition. This shows that the salary can be divided into the stock salary and the incremental salary. The stock salary is the salary for the basic living needs of employees and the incremental salary is the addition to the initial payment. It is important to know here that, on the one hand, the amount of incremental salary should keep gradually increasing but not decreasing; even the growth rate should keep being higher but not any lower. Otherwise, it will lead to employees' dissatisfaction, which will lead to slower work pace. On the other hand, if the incremental salary keeps increasing, employees would be likely to expect much better treatments, which is not conducive to the long-term development of the enterprise and sustainable motivation.

According to the law of diminishing marginal effect, there exists the attenuation effect of the influences of salary increment on employees' satisfaction. The salary increment at the beginning will have higher incentive effects on employees' activities, but with the extension of time, **if** the enterprise gives employees the same incremental salary stimulation repeatedly, it will only decrease the joy, excitement mood of employees. The increment of incentive effects to employees will be in a trend of accelerated decline. When reaching at a certain time

point, the utility for employees of the incremental salary will decrease and be equal to that of the regular salary. At that time the incremental salary will only have hygiene effects. Fig. 2 can describe this process. In Fig. 2, point E which is determined by point B and point Cis the separation point of incentive effects of factors in motivate zone and constructive zone; point F which is determined by point A and point D is the separation point of incentive effects of factors in hygiene zone and constructive zone. The incentive effect of the incremental salary will decrease with time; this part of salary will change into hygiene zone from constructive zone and finally change into the stock salary and be a hygiene factor. The stock salary is a basic factor to maintain people,s normal life, so it is considered a hygiene factor; as to the incremental salary, because of its incentive effect that cannot be ignored, the research classifies it as a constructive factor.

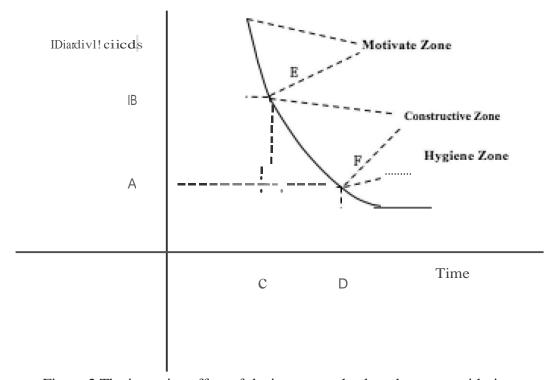


Figure 2 The incentive effect of the incremental salary decreases with time

Work itself. Herzberg thought there are many kinds of work: inflexible ones and everchanging ones, creative ones and dead ones, simple ones and complicated ones, part ones and the whole ones. But the interview conducted by Herzberg only classifies work according to the reasons that the interviewees feel good or bad about the actual work or task they have done, but ignores the incentive effects of work content, work pattern and work characteristics on the work undertakers. Hackman and Oldham proposed the Job Characteristics Model (JCM) in 1974. The model argues that the job characteristics will influence the psychological state of employees at work, which in turn affect employees' work motivation, work performance, work satisfaction and separation rate[191. Therefore, the research believes that "work itself" as a factor should be refined according to different job characteristics. The JCM puts forward five job properties: skill variety, task identity, task significance, autonomy and feedback. Based on the JCM, combining the physiological and safety needs of the hierarchy of need theory by Maslow, the author defines "work itself into five levels:

job security, job stability, job fairness, job challenge and job autonomy. The arrangement of the five levels by incentive effects from the bottom up and from low to high is shown in Fig. 3.

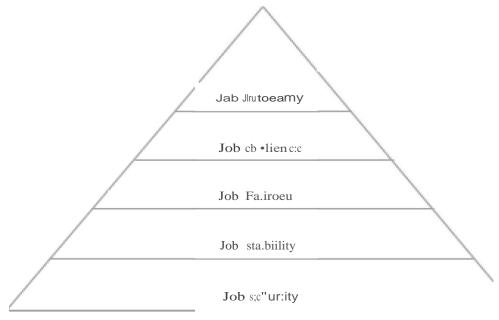


Figure 3 Five levels of work itself

First of all, the high attention paid by people to their health made the job security to be an important factor which influences employees, job satisfaction. Secondly, the job stability is people, s expectations for a stable work, which mainly shows in the enterprise security system during employees in-service and after their retirement. The job security guarantees people's life, so it should be a hygiene factor. The job stability meets the security needs of employees based on the insurance of their human safety, so it should also be a hygiene factor. Thirdly, whether there is job fairness or not will greatly affect employees' work enthusiasm. According to the equity theory presented by John Stacey Adams, the American psychologist, in 1965, the incentive degree of organization to employees is not only related to the individual's actual payment, but also more related to the fairness of payment distribution perceived by employees [20]. This sense of fairness will directly influence employees, work motivation and behavior. If employees feel fair, they will be relaxed and happy and their working enthusiasm will be higher. But if they feel unfair, there will probably be resentment and there will be slacking in work. The job fairness is a perfection based on the satisfaction of the first two basic needs whose purpose is to adjust employees' psychological attitude. So it can be treated as a constructive factor. Fourthly, there is a famous picking-apples theory in the psychological circles to the effect that a person who is eager to succeed should devote lifelong efforts to pick the apples that need to jump up to. The American managerialism Edwin Locke and Charles Hughes presented the goal-setting theory in 1967. According to this theory, the goal can transform people's needs into motivation and then into behavior, and it can get people to compare their behavior and the established goals to adjust and improve behaviors on time to achieve their goals. Here the established goals should be challenging and achievable. Therefore, when arranging work for their employees, it is necessary for enterprises to supply a challenging work based on employees' current capacities to motivate employees to challenge themselves. Employees, needs

for improvement, achievement and responsibility can all be satisfied by job challenge, so the job challenge should be a motivator. At last, the job autonomy reflects the degree of freedom and independence for employees to arrange their work progress and select particular methods [ItJ [221] • A number of scholars conducted empirical studies on the relationship between the job autonomy and employee satisfaction. The results shows that the higher the job autonomy, the higher employee satisfaction and the higher work performance [231 [241 [28J. In addition, the high job autonomy can also buffer against stress brought by challenging work and help employees involve into creative jobs actively and proactively [261] • Therefore, the job autonomy is closely related to the realization of employees' pursuit of life meaning and value, which makes it a motivator.

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Possibility of growth. The main reason that Herzberg counted the possibility of growth as one of the motivators is that in the interview, interviewees would tell researchers that some kinds of changes of circumstances with objective evidences will increase or decrease the possibilities of growth, and then will influence employees' attitude and behavior. As to the factors that would lead to the possibilities of growth, Herzberg just summarized the circumstances with descriptive statements instead of specific definition. Clayton Alderfer, a famous materialist of America, presented ERG theory according to the practical experience. The theory contents three-core needs, and the need for growth is one of them. The so-called need for growth is the need of a person for one's own development and improvement. The growth of employees is one of the basics for growth of enterprise, which includes growth of sales, growth of the added value, the growth of profit, the growth of employees and the growth of resources. The growth of employees reflects the strong demand for enterprise for knowledge capital [271 · Xu Haihong studied the growth of knowledge-based employees and concluded that the knowledge-based employees have self-improvement, which means driven by their main demands, employees will make themselves improve constantly and become mature on aspects such as knowledge, skills and experiences by self-motivation and self-management £28J. So the author thinks it is necessary to subdivide the possibility of growth of employees from the two aspects of enterprises and employees themselves.

From the enterprises' point of view, enterprises should be accelerator and guide of the growth of employees. Employees' urgency for knowledge and skills is increasingly highlighted against the background of the knowledge economy era, so enterprises need to supply opportunities for training and go out learning to employees and conduct environment that can help employees improve their abilities. Also, enterprise resource sharing is also a motivate method that can promote employees' growth. An information share mechanism, which is good, impartial and transparent, is a necessary resource for employees' growth. Employees can acquire knowledge and help themselves improve through the processing of the sharing resources £ <sup>291</sup>. Rewards can also strengthen employees' growth. It can be material rewards and can also be spiritual rewards or institutional rewards. The leading, incentive and regulating effects of enterprise managers to employees, which can be contented in the technical supervision, should not be ignored.

From the employees' point of view, employees can make themselves all-around development by meeting the endogenous growth need through self-motivation and self-direction. The self-motivation of employees is mainly manifested in two aspects: self-realization and self-transcendence. In his hierarchy of needs theory, Maslow defined the need of self-realization as the highest level of human needs.

Maslow pointed out that the self-transcendence can be defined as "continuous implementation of one's potential, talents and gifts", "complete or achieve a lifelong mission", "better understanding and recognition of one's own inherent nature". And "a process of continuous unity, integration, or synergistic action within the individual"  $\hat{\mathbf{I}}^{0}$ I. Ibis means self-realization is an endogenous growth need of people. Individuals will make full use of their talents, abilities, and potentials and try their best to do what they can to make themselves the kind of person they want to be. 1brough his detailed inspection, interview and study on dozens of outstanding people, including religious people, intellectuals, artists, entrepreneurs and business owners, Maslow found out that there are two kinds of self-actualizes: pragmatic selfactualized and transcendental self-actualizer [31]1. The pragmatic self-actualizes focus on fulfillment instead of on transcending themselves; they will do their jobs with practical attitude. The transcendental self-actualizes mean those people who live in the present but are transcendental and intelligential. They are good at finding the inner spiritual value, looking forward to combining the inner spiritual value with the universe, and achieving the state of the unity of man and nature. Other than fulfilling themselves, the transcendental self-actualizes also focus on transcending themselves, which is often accompanied by the peak experience 1<sup>32</sup>. Whether there is a peak experience is an essential difference between self-realization and self-transcendence. The peak experience is a kind of inner satisfaction when people fmally realize or surpass themselves. It is a kind of detached happiness that can even make people achieve a dedicated state. It is much easier for self-actualizes to get the peak experience and people in the state of peak experience is closer to the real self, more creative, more responsible, more decisive, more independent, more dedicated and they would pay less attention to material wealth and position but to pursuit a higher spiritual realm and search for the true value of life.

Ibis paper subdivides the possibility of growth into the extrinsic motivation from the enterprise and the intrinsic motivation of the employees. The incentive behavior of enterprises can be subdivided into training, resource sharing, rewarding and directions from managers (supervision); the self-motivated behavior of employees can be divided into self-actualization and self-transcendence. Training, resource sharing, rewarding and supervising are behaviors by enterprises; the staff training should be constructive factors, while the self-actualization and self-transcendence be motivators.

#### Conclusion

Based on the above analysis, the author puts forward the three-factor theory, which contains hygiene factors, constructive factors, and motivators, as shown below:

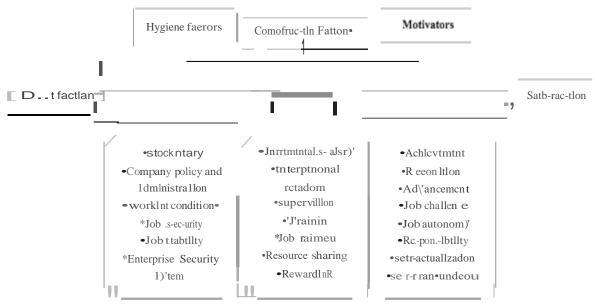


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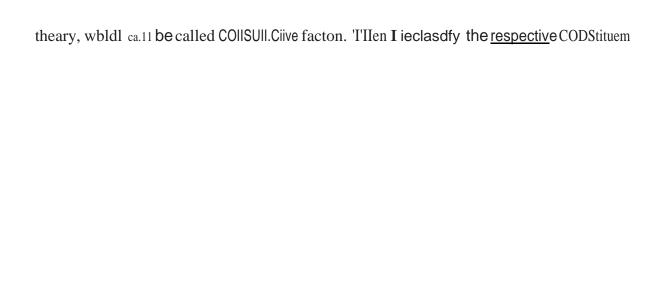
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components of the three factors, and the three-factor theory is so formed. The three-factor theory is the complement and improvement of the two-factor theory. The three-factor theory can be used as a theoretical basis for the enterprise to solve the problem of employee motivation in our country.

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