



# Motivation

AS Business

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# Motivation

- Is the process of encouraging employees to work harder. It is managers' responsibility to motivate their employees / subordinates.
- Employees who are committed and dedicated to achieve better performance are defined as motivated individuals.

## Why do businesses need to motivate their employees?

- Motivated employees are expected to work harder which is expected

to benefit the organization in terms of improved efficiency. Motivated employees are less likely to skip work days and to make errors on work which will benefit the organization in terms of its improved performance.

- In this unit, we will discuss couple of different motivation theories that are used by managers at workplace to motivate their employees.

## Taylor – Scientific Management

- Taylor audited the production process of Ford company and he came up with following suggestions for increasing the efficiency of production process:
  1. The production process should be divided in different stages which is now known as ***flow production***. Taylor introduced the idea of

flow production.

2. To maximize worker's efficiency they should be made to ***specialize in one / two tasks***. Taylor refuted the idea of multitasking. 3. Each workers should be paid according to ***piece rate***, meaning compensating employees based on the quantity of output produced by each one of them.

## Analysis of Taylor – Scientific Management

- With piece rate employees will be motivated to work harder since they know that they can earn more if they work harder and produce larger quantity of output.

- Moreover, employees are more likely to specialize effectively if they are made to focus on just one or two tasks.

<p>The motivation to earn more will incentivize workers to produce more which will result in higher output for the firm.</p>	<p>However in the struggle to produce more = the employees might overlook the quality of the product which can negatively affect brand image.</p>
<p>Taylor's was pioneer in introducing the concept of flow production and piece rate which are still widely used in the business world.</p>	<p>Not all employees are motivated by higher financial earnings, as mentioned in other motivation theories, and because Taylor's theory does not talk about non financial incentives for motivation it might not be effective for motivating different types of employees.</p>

## Mayo – Human Relation Theory

- Like Taylor, Mayo also conducted series of experiments in an actual factory to find out the factors that are most significant in motivating workers. He found following factors ***to be significant*** in motivating employees:
  1. Working in teams and groups
  2. Making employees part of decision making process
  3. To have freedom over work life like choice to decide when to take breaks etc

## Mayo – Human Relation Theory

- He found following factors to be ***not very significant*** in motivating employees:
  1. Financial incentives like wages, salaries and fringe benefits
  2. Working environment including work ambience including lighting and safety condition

Unlike Taylor's Scientific Management that only identified financial compensation as the motivating factor Mayo introduced couple of non-financial incentives including team work which is widely used nowadays.

Mayo's theory did not consider financial incentives as significant factor for motivating employees which is obviously not true. Better financial compensation allows workers to afford basic necessities which is also considered important by other motivation theories like Maslow's Hierarchy of Needs.



Using these non-financial incentives will greatly reduce business costs unlike theories that advocate for financial incentives like Taylor's Scientific Management etc. Moreover, this theory is simple to understand and apply in business settings.

Since Mayo's experiment was conducted in certain factories with certain type of employees therefore it might be difficult to generalize his observation for other different types of businesses and employees.

## Maslow's - Hierarchy of Needs

Maslow said that people have different needs which motivates them to work harder. So if the company helps them get those needs met they will be motivated to work harder. He divided all of human needs in following categories:

- **Physical** – the basic materialistic needs like food shelter, clothes
- **Safety Needs** – feeling safe at the organization the employee is working at
- **Social Needs** – being able to make friends at workplace
- **Esteem Needs** – getting recognition for good work
- **Self- Actualization-** being able to extract your full potential.

Maslow talks about couple of financial and non-financial factors that can be important in motivating employees which is more realistic depiction of human psychology.

It is hard for managers to accurately identify workers' specific needs.

The theory divides human needs in different categories and Maslow very thoroughly explained how each of these needs can be met.

Some of these needs might be difficult for company / managers to fulfil like Self Actualization. If a worker's ultimate goal is to do something very different compared to business vision then due to inherent conflict of interest the company would perhaps never be able to help its worker achieve Self Actualization.

## Herzberg – Two Factor Theory

- Herzberg said that all incentives provided to employees can be divided in 2 categories namely HYGIENCE FACTORS & MOTIVATORS. •

Hygiene Factors are financial incentives that ***stop workers from getting demotivated*** for example salary, wages, bonus, working conditions etc. Herzberg defined these as ***Extrinsic Factors*** since they are external to core work of an employee.

- Motivators are non-financial incentives that actually motivate workers to work harder like work-itself, achievement, promotion prospects etc. Herzberg defined these as ***Intrinsic Factors*** for they are directly related to work.

The theory differentiates between motivation and demotivation and suggests incentives for both.

Hygiene Factors prevent workers from getting demotivated and Motivators actually motivate employees to work better.

Having both financial and non-financial incentives in place can be costly for the business.

The theory is not very simple to understand and to implement and therefore managers might not be able to implement the theory effectively.

## McClelland Motivational Needs Theory

McClelland said that people have one or more of the following three needs

which if met will motivate people to work harder.

- 1. Authority / Power Need:** it is when an employee feels the need to be in charge of more authority. This need can be met by providing employees more formal authority through promotion / higher designation.
- 2. Achievement Need:** is when an employee wants recognition for their need which can be met by public admiration of employees' work to make them feel more accomplished.
- 3. Affiliation Need:** is when an employee highly values his / her affiliation with a certain organization / ideas / people etc. Manager can try finding this affiliation that an employee values and then try strengthening this connection which will motivate employee to work harder.

Good thinking framework for managers who wish to motivate their employees.	The theory is not as simple to comprehend and implement as other
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Can be applied to wide range of situations and circumstances.	The theory does not talk about specific strategies to motivate workers.
The theory accurately depicts human behaviour.	It might be hard for the manager to correctly identify the need(s) of any particular employee.

## Vroom - Expectancy Theory

- Vroom said that people will be motivated to work harder when they think that there is a strong connection between (1) effort and performance and (2) performance and reward.
- **Effort** is the hard work that an employee puts in any work / task.
- **Performance** is the outcome of effort which is something tangible on the basis of which the manager will provide the reward that the

worker is looking for.

- **Reward** is the incentive that the company provides to the employee who achieved high performance.

## Vroom - Expectancy Theory

- ***Valence*** –how much is the need for the reward. Higher the valence, higher will be the hard work invested by someone in the work.
- ***Expectancy*** – expectancy is the link between effort and performance. Vroom said that the expectancy should be high for people to work hard.
- ***Instrumentality*** – is the link between performance and reward. If instrumentality is high then people will be motivated to work harder



and vice versa.

## Vroom - Expectancy Theory - Example

- If a worker wants to be promoted from Assistant Manager to Manager then his promotion will be his reward.
- The effort can be the hard work that he / she puts in his / her work to prove to the seniors that he / she is most worthy of the promotion. • Performance will be the results that managers are expecting.

For instance only if a worker thinks that working hard on lets say the marketing campaign will result in needed sales that seniors are looking for and that can be significant factor for seniors to promote that employee, the person will be motivated to work harder.

Good generalization of how human mind works by always keeping in mind the ultimate goal of any action.

Given the theoretical nature of the theory it can be quite complex for some managers to comprehend and to successfully implement it.

Useful technique to motivate employees in wide range of situations and circumstances.

Can be hard for managers to identify the right type of rewards to effectively motivate employees.