

Analysis of financial and non financial motivation commerce essay



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In a company, there are several factors affect its growth; however, employees' motivation is one of the major factors. Positive motivation can help companies have high production and developing fast. This essay will discuss two methods of motivation- Financial and Non-financial motivation and including three theories-Taylor, Maslow, and McGregor. Financial motivational method which is easily to understand that staff works for money, for example, wages and salaries. However, labor also enjoys other factors in non- financial method, such as, teamwork and empowerment. In any case, it is incorrect to classify financial and non-financial motivational methods both of them are the important factors for a company.

Taylor's theory shows that staff motivate by money. Business should uses financial motivational methods to encourage employees, for instance, piece rate system which means workers can decide how much work they want. There is a pyramid in Maslow's theory-hierarchy which includes Physiological needs, safety needs, love and belonging and esteem needs and self actualization most of them belong the non-financial motivational method. The last theory is McGregor's theory which including theory X that workers are lazy and motivated by money; and theory Y, which is alike to Maslow's theory, show that employees enjoy their works and there are different ways to motivate them (Hall, D. et al, 2008).

McGregor Theory (vectorstudy, 2008)

There is no doubt that employees are work for money which is the basic thing they need to satisfy their life, according to Taylor's theory financial motivational method is an important way to get labor work hard. In Germany

Train Company, workers stroked three times in two weeks because of low wages. Most of the individual train companies paid the wages 30% lower than average wages and the union GDL argued with companies to increase wages (thelocal, 2011); therefore, a suitable wage is significant for companies and employees. Taylor's theory is similar with McGregor's theory X; all of them state that workers are motivated by salaries to satisfy their basic needs. There are several reasons for employees who only aspire for money without anything; for example, low level education, unwilling to work or less working skills. These causes get workers only care about the money for their livelihood. In addition, fringe benefit is another financial motivation, for example, in Ghana Commercial Bank Ltd employers provided housing and cars for employees, also employers provided goods which has discounted for employees. The result of this motivation method is that employees were more loyalty to the company and spending longer time on their work; therefore, financial motivational methods are useful ways to get staff work harder (typepad, 2010).

Tescom (thetimes100, n. da)

Beside the financial motivation, non- financial motivation is another indispensable element for company ¹/₄^hr-scorecard-metrics¹/₄€2011a¹/₄%o. In McGregor theory Y and Maslow theory proves that not all the staff works for money, some of them enjoy their work and looking forward to promoting in the future. Non- financial motivation has different form; for instance, teamwork, and empowerment. Team working is one way to motivate employees. Generally, there are several groups in business; for instance, quality circle, security, and management. It is used by Starbucks to combine <https://assignbuster.com/analysis-of-financial-and-non-financial-motivation-commerce-essay/>

its workers by different background members. All the team members who have various skills and knowledge get important impact in the team; therefore, members in the team can learn new skills from others and play a part in the team (. freeonlineresearchpapers, n. d). Employees also could be more positive and confident to get an achievement if employers give more empowerment for them. If managers give more rights to workers that means staff can make decisions and solve problems by themselves. This method gets employees feeling responsible and important for the company; therefore, workers could be motivated (hr-scorecard-metrics¼Æ2011b)

Google Company uses this way to motivate its engineers, they have decision-making power and have freedom to choose work partners. Also Company allow its employee have 1-2 days of a week to develop their own software. The result of this action is Google has achievements which it unexpected; for example, Gmail and Google News (Nantel, 2008). Another company whose name is Tesco also uses non-financial motivational method very well. It use Maslow's Theory to motivate its employees; however, as the Maslow Theory is similar with McGregor's Theory Y, Tesco use both of these theories to motivate its works. This company allows employees to join in union so that workers could have belonging. According to thetimes100 (n. db) ' Tesco provides the security of formal contracts of employment as well as pension and sickness schemes', these can make sure that workers can be satisfied in security needs. Also, its staff works in group and the ' Steering Wheel' of company to estimate that staff works harder. For achievement needs, Tesco Company provide opportunity to employees too develop themselves so that all the staff can reach the highest achievement

(thetimes100, n. dc). These non-financial motivational method get <https://assignbuster.com/analysis-of-financial-and-non-financial-motivation-commerce-essay/>

employees have positive motivation and company become the largest retailer in British.

In addition, it is difficult to say that which one is the most useful method to motivate employees as each one has their own benefits and drawbacks; for example, financial motivation is the most common and popular way for employers because money is the basic things for people's daily life; People who has not enough money will be motivated to work harder if they can get more wages; however, some employees who have ambition on the career do not willing to be limited by salary, so financial motivation can not cater their needs (mindtool, n. d.). As the result, Taylor's theory will not suitable for this situation and Maslow and McGregor's theories show that people aspires another high level needs when they have touched a goal; therefore, non-financial motivational method can satisfy employees' needs and motivate them it can give companies unexpected results just like Google Company; nevertheless, non- financial also lead to many problems; such as, business gives too much power to employees, who could make a mistake and get lost for business; therefore, it is significant for employers to consider and make a decision that how they should do can keep the balance to the financial and non-financial motivational method.

In conclusion, society in current, people does not only work for livelihood. Employees have enthusiasm in work and enrich themselves while working; therefore, business can not treat employees by outdated methods because people pursue a high level life nowadays. One way motivation method is simplex and not good for business and employees. As a result, employers should combine financial and not- financial motivational method to satisfy <https://assignbuster.com/analysis-of-financial-and-non-financial-motivation-commerce-essay/>

different employees' needs; it can keep the balance between employees and employers relationship if business analysis what does worker wants.