Motivational factors of the public sector

The idea that money motivates people to work is a much disputed subject with many differing theories. It is an imperative reality that companies must have a firm awareness of how to motivate their employees in order to encourage the acceptance of organisational goals (Kleinbeck et al. 1990). The range of contradictory research makes it difficult for companies to decide upon one effective way of motivating employees. Mullins (2007) describes how there are two methods of motivation – extrinsic and intrinsic. Money is an extrinsic motivator as it is a tangible reward, whereas motivators such as recognition and achievement are intrinsic and offer intangible ‘ psychological’ rewards (Mullins, 2007). Theories on motivation often focus on either intrinsic or extrinsic motivation and do not speculate on the effect of a mix of these motivational methods. Taylor’s (2003) ‘ rational economic concept of motivation’ is based upon the principle that staff are mostly motivated by money due to their economic needs. In contrast, Kusin (2005, p. 76) argues that “ work is about letting people know they are important and recognition, can sometimes be more important than money”. This argument is supported by theorists such as Maslow, Alderfer and Herzberg. Many theories discuss whether or not employees are motivated by money but there is no extensive regarding the extent to which money motivates employees and the differing motivational impact it has on people working in different sectors.

It would therefore be beneficial to conduct a research project into the extent to which money motivates employees and if this differs between sectors. This research could help organisations to follow a basic model which would suit their sector, aims and objectives. Conducting research into public sector employees such as nurses and teachers will allow me to see if motivational factors are different to those employees working within a purely profit driven organisation. It is important to conduct the research on the identified subject (employees) through the correct medium in order to achieve accurate results.

Stockport Removals and Storage Limited is a small/medium sized company operating within the North West. They have agreed to participate within the research project providing research on employees working within a profit making, private company. The company has been operating for 20 years and has a number of long serving employees as well as recently recruited staff. This will allow research to be conducted across a range of employee contract types in order to see the variety of factors which motivate employees. Stockport Removals offer remuneration in line with competitors within the area as well as providing overtime and bonus schemes.

The midwifery department in Stepping Hill Hospital NHS have also offered to take part in the study in order to offer an insight into motivational factors within a public sector company. Remuneration within the public sector is a much discussed subject within the media. The NHS have recently made " plans to make 35, 000 (employees) redundant unless staff accept a pay deal that will see them lose up to several thousand pounds a year" (Observer, 2010). This makes NHS workers a particularly effective source of research as pay and motivation will be at the forefront of operations at such a time. Comparisons in research between public and private sector organisational motivation will help to see if remuneration motivates every employee to the same extent regardless of job type of sector of the organisation.

Literature Review

Reviewing current literature that is available on motivational ideas, can help to gain background information on the subject and acquire a further understanding of the studies and theories already published. This will demonstrate the research gaps in current information on motivation and remuneration. There are arguments for and against the idea that employee motivation is enhanced through remuneration.

Taylor discussed the theory of motivation within his Scientific Management model. Within this model, the term “ maximum prosperity” is key when understanding his suggested link between motivation and money. Taylor (1998) argues that the interest of both the company and the employee are maximum prosperity and in order to create wealth for the company, a worker must be given “ what he most wants – high wages”. When a business provides “ maximum prosperity” for employees, the employee will not only become motivated through remuneration, but the process will result in the “ development of each man to his state of maximum efficiency” which will in turn create an affluent firm. (Taylor 1998, p. 1.)

Lawler (1971, p128.) supports Taylor’s theory as he believes that “ individual incentive plans typically lead to substantial increases in productivity”. Although it could be argued that some research shows that job performance can be improved through remuneration, the significance of motivation cannot be assumed. (Kelly, 1982).

A main drawback for money being the sole motivator is that the “ scientific management theory had an overly simplified view of motivation” (Taylor

2003, p. 5.) only focusing on one aspect of motivation – the tangible benefits given to employees. It also does not take into account other intrinsic factors that could be improving motivation within any studies.

Despite Taylor's argument, there is much literature that documents the findings that money is not a motivator. It is clear that employers benefit from a motivated work force, and it is therefore important to provide the correct methods of motivation to employees. Saunders (2003, p. 75.) argues that the " benefits that people want depend on their individual circumstances". Management Today have reviewed that it is time for companies to circum to the realisation that money is no longer an effective way of motivating a workforce (Management Today, 2003). People are now motivated by less easily defined needs than money, such as psychological work factors. Saunders explains how once basic money needs are satisfied, they act as little motivation for the majority of a work force. Employees gain more satisfaction and motivation from intrinsic benefits such as job satisfaction, enjoyment and feeling part of a social group. These factors are not only beneficial to employees, but are welcomed by companies as they are cheap in comparison to economic incentives. Saunders also believes that managers would be better off investing time in employees in order to get the bases of the psychological benefits in place rather than investing in monetary rewards (Saunders, 2003).

The Chartered Management Institute conducted The Business Energy Survey: 2005 in which they examined motivation levels within organisations, and what factors are most influential in motivating staff. Their key findings were that professional and individual development are much higher level motivators than money and financial rewards to employees. The most highly ranked motivation factor was ‘ a sense of purpose in work’ in contrast to one of the lowest ranking factors being ‘ performance related rewards and incentives’. Cook and Jackson (2005) conclude that intrinsic rewards such as challenge and sense of achievement outweigh factors such as remuneration and financial rewards when trying to motivate employees.

Many elements of these arguments are also included in theorist models.

Models of Motivation

There are many concepts surrounding motivation in the workplace. Motivation theories and models such as Herzberg’s Two Factor Theory and Maslow’s Hierarchy of Needs give a greater insight into the factors which encourage motivation. Maslow turned attention away from economic benefits and to the human nature and the psychological side of motivation. “ According to Maslow “ human motivation” is a complex matter governed as it is by a hierarchy of needs”(Bennaars 1993, p. 81).

A further insight into motivation is evident in Maslow’s Hierarchy of Needs model. Maslow’s model “ has been a widely used paradigm in business” (Maslow 1987, p. 12). Maslow used a framework in which needs are arranged in stages, in order of importance – often documented as a pyramid of needs. Basic needs were described as physiological needs. Leavitt (1988, p. 20) describes these physiological needs as the “ the starting point for motivation”. When relating to Maslow’s intended use for the motivation theory – human psychology, they are needs such as hunger, thirst, shelter and a need for oxygen. In theory, laws will protect employees from the lack of these and ensure that in the workplace, physiological needs are satisfied through legislation such as Health and Safety at Work Act (1974). If these basic needs are not satisfied however, then more advanced needs would become irrelevant as desire for psychological needs would dominate.

The next stage within the motivation pyramid is safety needs which are concerned with safety, job security, and the need for order. It is evident that people prefer a “ safe, orderly, predictable, organized world” (Steers and Porter 1991, p. 201) which can be related to the workplace. Once this has been satisfied, the next motivator is love needs. These needs are associated to social interaction and can be satisfied through cohesive work groups, friendly supervision, and professional associations.

The next need to be satisfied after love would be esteem. “ People within our society have a desire for a stable, firmly based, high evaluation of themselves for self respect” (Maslow 1964, p. 183). Steers and Porter (1991) describe how when relating esteem needs to organisational factors, they would translate as achieving social recognition, having a impressive job title and working within a high status job.

The final stage of the model is self actualisation. This is concerned with the self development and realisation of one’s potential. The rewards of this would be growth, progression and creativeness through a demanding job and achievement within an organisation. Leavitt (1988, p. 28.) described this as achieving the desire to “ become everything that one is capable of becoming”.

Once a lower need is satisfied, it no longer acts a motivator and therefore employees will strive to be motivated by the next level (Mullins, 2007). Management Today's Andrew Saunders is an advocate for the Maslow Theory and claims that " his theory remains watertight" despite the model being over 60 years old (Saunders 2003, p. 75).

A clear drawback for relating Maslow's Hierarchy of Needs to motivation in the workplace is that his research and theories were not originally intended for use within a corporate environment. We therefore rely on assumptions of interpretations of his model. After further research, Wahba and Bridgewell (1976, pp. 212-140) found " no clear evidence for Maslow's… proposition except with regard to self-actualization".

Herzberg's Two Factor Theory is based upon the idea that there are two aspects which have an influence upon motivation – hygiene factors and motivator factors. Hygiene factors must be in place in organisational environments for the " prevention of dissatisfaction"(Herzberg 1993, p. 16). These factors include environmental motivators such as salary, working conditions, job security and interpersonal relationships. Herzberg goes onto describe how the second factor, motivator factors, are the aspects that motivate employees. These factors include psychological rewards such as a sense of achievement, recognition, responsibility and personal growth. It is argued that companies emphasis should be on the " strengthening of motivators… hygiene is not enough" (Herzberg 1993, p. 132). In effect, this raises the issue that remuneration is in fact an element that could dissatisfy employees if it is not present, and that money rewards and payment is not enough to motivate employees alone.

Critics of Herzberg’s model claim that the theory only applies to unskilled, repetitive jobs and the methodology of collecting results and interpreting the data, resulted in bias findings (Mullins, 2007). Despite the criticisms of the theory “ has had a considerable effect on the rewards and remuneration packages offered by corporations” (Crainer and Dearlove 2001. p. 361)

Similarities can be drawn from reviewing Herzberg and Maslow’s models of motivation. Neither model uses remuneration as a high level motivator. Herzberg argues that salary is a hygiene factor and will de-motivate employees if it is not present. Pay therefore does have a correlation between motivation and job satisfaction but is not a key element in achieving high levels of employee motivation as growth factors are more influential. Maslow’s Hierarchy of Needs also has remuneration as a basic need in which pay is necessary in order to prevent dissatisfaction and motivates at lower levels in the short term but is not a high level motivator once satisfied.

There is a distinct lack of academic sources, information and research relating to motivation within public sector work forces. It is important to consider that “ managing people continues to be essential to performance in public organisations”. It is argued that in the public sector, there is a conflict between employees fulfilling organisational goals, and employees fulfilling their right to self-expression. This possibly decreases motivation in the workplace (Kearney and Berman 1999, p. 2). My research would be beneficial in order to see if public sector workers have separate motivational factors to private sector workers.

To summarise, is it clear that money is an ambiguous subject in the discussion of motivation. It is considered within many theories, however it can be argued that to what extent and how important it is depends upon employees " personal circumstances and the other satisfactions they derive from work". (Mullins 2007, p255). The main problems with the current literature are that they often focus solely on one area of motivation – extrinsic motivation or intrinsic motivation. Theories also contradict each other and make it difficult to derive a definitive answer as to when/if/how money motivates and to what extent. Further research is necessary in order to discover if money is an influential motivational factor in all sectors within the workplace.

Research Design

In order to solve the research problem effectively and gain the correct information for analysis it is important to choose between a quantitative research method and qualitative. Qualitative research is used to investigate attitudes, beliefs and experiences whereas quantitative research will generate statistics and numerical information (Dawson, 2006). As this research proposal wishes to explore to what extent employees are motivated by money, a qualitative approach would produce the most effective data.

It is proposed to conduct two case studies on employees within a private business (Stockport Removals) and employees working within the public sector (NHS staff). Interviews will be used as the method of gathering data on to the extent which remuneration effects employee motivation in the public and private sector. 10 employees from each organisation will take part in the research. This figure has been taken as resources do not allow the entire business population to be interviewed although multiple interviews need to take place to ensure reliability of results.

I will use a semi structured interview technique as I wish to gain specific information and ask certain questions to every interviewee whilst allowing room for elaboration on certain topics. This will allow me to gain a more in depth insight into the employees’ views and analyse data effectively. I can then evaluate responses of employees working in the public sector in comparison to employees working with the private employees to draw conclusions. This style has been chosen as an unstructured interview would collect lots of irrelevant data which would then make data analysis difficult to conduct. A structured interview would produce quantitative data which is not relevant to the research problem as motivation is such a personal, emotive subject. Asking open ended questions will help to gain an insight into employees feelings and beliefs and therefore quantitative data methods would not be functional.

Appendix 1 shows the interview structure to be used. These questions are mainly open ended and allow for the interviewee to give a more in depth and personal account of motivation. The initial question allows the researcher to establish if the candidate is motivated in their current working position. This is essential as if they are not motivated in their work, then they will not be able to give full explanation as to what motivates them in their current role. The second question explores the factors that motivate the employee aside from motivation. This question aims to see if members of the organisations are motivated by intrinsic factors when disregarding payment schemes. This is important in order to establish the main aim of to what extent motivation is related to remuneration.

Question four and five on the interview schedule (Appendix 1) help to evaluate the current motivational theories and models already published (Maslow and Herzberg) and see if the interviewees feel that the areas and factors within them are relevant to their personal motivation. This may also help issues arise that are not covered within the models in the literature.

Further questions include topics on intrinsic motivation. It is important to establish to what extent interviewees are motivated by intrinsic factors in order to compare with the extrinsic factor of motivation. If candidates are more motivated by intrinsic factors such as praise and recognition then they may be less motivated by financial payments. Question eight asks whether the company values motivate the employee. This is an essential question in order to establish the difference between motivational factors in the public sector and the private sector.

The final questions help to establish whether motivation changes with the length of services as some literature states that members may initially enter a career for remuneration factors but are motivated by different intrinsic factors once established in the role.

Appendix 1’s interview questions help to establish the extent to which motivation is influenced by remuneration, and evaluate the current strategies that are used for motivation (eg Maslow and Herzberg) for effectiveness. This will help to see if there are any other main factors in aiding motivation.

To ensure that the interviews are consistent and structure, I will develop an interview schedule detailing the topics and questions to be covered (Appendix 1). This will ensure that I have no leading questions and will prevent interviewees from digressing from the topic area. It will help to add focus to the interviewer. Questions will be asked such as what makes you feel motivated at work using elements of theories to explain points and gain an insight into whether employees are motivated by extrinsic or intrinsic factors.

A tape recorder will be used in order to collect the data whilst enabling eye contact and positive body language to be maintained with the interviewee. It is important that the method of recording does not alter the rapport I build with the interviewee as some methods can make the subject feel uncomfortable. Recording the interview will make data analysis easier as the interaction between researcher and interviewee can be recorded and analysed at a later date. (Dawson, 2006). I will however, have to ensure that equipment is operational as relying on technology can often result in mishaps. Interviewees may also become nervous of the tape recorder thus producing an emotional barrier. In order to overcome any potential problems with the methods of recording data I may take some notes of important topics and points drawn through research throughout the interview. This will produce a backup in case there are technical difficulties and data is omitted. Ensuring eye contact is kept with the interviewee is essential to keep them engaged and to prevent an interpersonal barrier.

In order to conduct interviews, research candidates must be chosen. Sampling is required as it is unrealistic and impractical to interview all members of staff within the organisations that have agreed to participate in the study. The sample chosen needs to be large enough to create reliable results using the resources available and give a representation of all members of staff at that specific level in the hierarchy. In order to make a sample from the business population I will use a probability sampling method called stratified sampling. This will involve dividing the population (of the organisations) into groups based upon characteristics. The key characteristics of the employees I wish to interview are; they must be working on a permanent basis, at a non managerial level, working for remuneration. The advantage of stratified sampling is that it will ensure that results are representative of the people within the whole of the criteria population.

Despite stratified sampling being used, resources do not allow us to interview all of the people that fit the sample criteria, as this would be 20 people within the private sector business and 32 within the public sector organisation. This uneven sample size would result in inaccurate data being retrieved. Sample sizes should be the same in order to make truthful comparisons. Simple random sampling could then be used in order to narrow down the interviewees further. This method means that each member of the current population has an equal chance of being chosen (Bryman and Bell, 2007). This can be used as employees within the remaining population already fit the characteristic required of the research project.

All employees within the sample will be on the same level of the hierarchy and managers will not be included in the study in order to ensure that there is little sample error as people's motivation may change as they are promoted up the hierarchy.

Rapport is a type of relationship in which trust and mutual respect is built. During data collection it is argued that building a rapport is essential in order to encourage the interviewee to participate in the interview and feel relaxed to give quality answers (Bryman and Bell, 2007). Through conducting research, Toma (2000) found that rapport helped to give interview candidates more of an understanding of the question and enhanced the relevance and quality of answers. I will try to build rapport by delivering questions and avoiding the use of jargon so the research subject does not feel uneasy or intimidated by language used. I will also maintain eye contact and ensure that candidates know that the questions are for research purposes and will not affect their employment positions or be forwarded to managers or senior members of staff. Anthropologist Roslie Wax (1971) as cited in Marshall and Rossman (2011) highlighted the importance of establishing a relationship with the research study subjects and used methods to demonstrate flexibility and trust between researcher and interviewee. It is, however, possible to have too much rapport as well as too little (Seidman, 1998) in order to achieve accurate non bias results therefore I will try to strike a balance between these roles.

Data Analysis

Once data is collected, to effectively identify the extent to which remuneration has an impact on employee motivation and evaluate if current motivational strategies in literature are contributory factors to motivation in the workplace, the findings from data collection and research will be analyzed. Based on this analysis, conclusions can be made as to whether money is a motivator and recommendations can be made as to how to motivate employees to improve productivity and job satisfaction.

It is important to have a planned strategy in place to analyze findings as leaving all the data collected to the end will make analysis more difficult as it can be over facing and the researcher may loose track of the themes and findings within each interview. Maxwell (2005) argues that an effective qualitative researcher will instigate data analysis after each interview. During this research process data analysis will be an ongoing method throughout both the data collection process and as a final assembly at the end of data collection. Analysis will not be left purely to content analysis after collection.

In order to continually analyze the data collected, interview summary forms will be used for data analysis at the end of each interview (Appendix 2). Appendix 2, is based upon the model of Dawson (2006, p113). These forms help researchers gain a firmer understanding of the responses and aid knowledge when trying to draw on final conclusions. Heinrich (1984) used a similar method when conducting his research project on biological data. He analysed data on the same day as collection and believed that this helped to track progress and built up the data analysis through the collection. Analysis on interview summary forms from early interviews may result in topics and issues arising that were not foreseen. This will then allow the researcher to analyse this information and include it in the next subsequent interviews in order to receive the most in depth and relevant information possible.

Qualitative data analysis is an individual process and different researchers may derive different conclusions from the same information (Dawson 2005, p. 111).

In order to ensure relevant information is analysed, content analysis will be used at the end of the data collection process. This will help to reflect on the interview summary forms and use the data collected in order to make sense of the information.

In order to analyse the data, coding will be used. Coding is analysis through segmenting and reassembling of the data, aiming to transform the data into conclusions and understanding (Boeije 2009, p. 94.). The initial stage in content analysis is gaining understanding of the documentation created (interview summary forms) and data collected. All documentation will be reread and the tape recorded interviews will be listened to in order to recap on the research conducted and gain a firm perceptive of the research data.

The question, research problem and objectives should be reread in order to maintain focus on answering the research proposal and drawing relevant information. Through listening to the tape recordings and reading the documentation, notes can be made to draw out frequently occuring topics. This is the segmentation of the data (a concept within open coding) by looking for themes that derive from the interviews.

I will highlight important topics and be aware of the frequency of words, phrases or incidents that the candidates discuss. The topics that are uncovered can then be used in comparison with current motivational theories such as Maslow’s Hierarchy of Needs and Herzberg’s Two Factor

Theory in order to see if our research shows a similar link between remuneration and motivation findings. The research findings may contradict or support a particular theory within literature and the research hopes to draw conclusions to clarify effective motivational factors. This is being conducted in order to overcome the conflicting literature.

It is also important to check that the sample has achieved sufficient relevant research responses. If analysis doesn't uncover relevant responses to the aim of the research proposal then further sampling and research may need to be carried out. Uncovering themes or codes can then help to draw upon findings and aid in the effective analysis of data.

Anticipated Problems

There are problems and risks that can be anticipated when conducting research with people and within companies. Firstly, the research method must be correct. As we are using a semi structured interview, the disadvantages of this method need to be highlighted. The main disadvantage of this interview technique is the time that it takes to conduct and the data analysis. Data analysis can be difficult due to the extent of the responses within each interview question. Relevant information must be sifted out ensuring that no interviewer bias is added.

This could also cause problems with the organisation as the opportunity costs of the time it takes to interview employees must be taken into account. Whilst employees are conducting the research interview, they are not carrying out their employment tasks and responsibilities which could cause friction between the employee, employer and the researcher. Displeasing the employer could have detrimental effects on the interview process as this could result in bias information or termination of the research project all together. This should be avoided by ensuring the employers are made fully aware of the intensions of the interview and that the interviews will be conducted as time efficiently as possible.

A further concern would be that the organisations could influence employee’s answers by briefing them to ensure they do not reveal certain information about the company. This would also bias results and not capture employees in a comfortable position to open up. This will be avoided by choosing employees at random and ensuring that organisations are aware that the information found will not be publicized in order to scrutinize the brand or image of the business.

The drawback of researching with private sector employees from one company and public sector employees from one organisation is that they may not be representative of the entire population of workers within each sector. If this surfaced as a problem, then one could increase the sample size to research further into different sizes and types of public and private sector businesses.

The sample size needs to be large enough to get enough relevant data as the larger the sample, the more accurate the data is of the population. However, it is unrealistic to choose the whole population of private and public sector workers as there would be too much information which would then be difficult to code and analyse. The sample size needs to be manageable to prevent information over load and ensure that the topic is at the heart of the data found. This problem had been overcome by using a sample size of 10 employees within each organisation being researched.

During the interview process, there will be a conscious effort to ensure that no barriers will impact on the reliability and validity of the findings. Physical barriers will be avoided by allowing the interviewee to have the interview conducted where they feel most comfortable. Psychological barriers will be avoided by ensuring that interviewees are not overloaded with information and jargon isn’t used for they feel relaxed. Avoiding these barriers will aid effective communication and ensure that rapport is built between researcher and interview candidate. This rapport will help interviewees to open up and give detailed and accurate information on the personal topic of motivation.

Ethical Considerations

When conducting research with the public, ethical issues can often arise. There are many factors to take into account in order to ensure no harm is done to the organisation, the participants are employed by the organisation and myself as the researcher.

Firstly, the research will be conducted overtly as all participants will be informed of the purpose of the research and no form of under cover observation will be conducted. I will ensure that all members of the participating sample give full consent to taking part and will provide a Code of Ethics in order to document how the information will be used, and how they will be protected.

Privacy, confidentiality and anonymity is essential during this research proposal as it is preferred that the candidates feel at ease and open about their feelings on the subject. I believe that if participants feel that the information they