

Evaluation of the financial motivation methods commerce essay

[Business](#)



A well-organized firm requires big amount of good policies to ensure the company runs well. One of the most essential techniques is a suitable method to inspire their employees. Generally, enterprises tend to use financial methods to encourage their workers to have better work attitudes to do their utmost at work in order to increase the efficiency and quality of their work tasks. However, non-financial methods are necessary, too. An appropriate combination for financial and non-financial motivation methods can maximize the effectiveness of motivating the employees. This essay will include motivation theories involve content theories and process theories of motivation, examine the effectiveness of financial and non-financial methods of motivation, moreover, it's the analysis of financial methods is more significant than the non-financial methods in motivation. To begin with is to analyze the motivation theories. The motivation theories can be separated in two parts about content theories of motivation and process theories of motivation. Content theories can be defined as the explanation of special causes which can motivate employee (Hall et al, 2008). For instance, Maslow had analyzed hierarchy of needs about the employees' requirement. Five groups of needs have been separated. This is called the Maslow hierarchy of needs theory. The basic needs are physiological needs such as wages. The second needs are the safety needs, for instance, job security. The third needs are love and belonging, for example, team work. The forth need is the need of respect. The top of all the needs is self-actualization. The Maslow theory therefore can be regarded as pyramid of needs (Hall et al, 2008)To have an effective motivation, manager is required to recognize which hierarchy his employees exactly are. Through doing surveys about

employees' requirements, the motivation will be more effective (Netmba, 2007). For example, Microsoft has lots of professional workers, who are already millionaires. Based on this situation, the hierarchies of the professional employees' are at the range of fourth. Therefore, recognition of the Microsoft employees' success is very important for managers to do. The employers in Microsoft virtually concentrate on the 'recognition of individual employee achievements, the work itself, responsibility, growth and other characteristics that people find intrinsically rewarding' (Impulsive, 2005). In addition, Herzberg's two-factor theory, which is similar to the Maslow hierarchy of needs. It claims that employees will be more productive with better job satisfaction and working environment. Herzberg has proved that these two factors can directly make employees to put more effort at work. However, some problems still exist in practice that some small firms may have an inability to afford the fee for improving the hygiene or another facilities to satisfy their employees and the survey of the aspects of workers' satisfaction are mostly over subjective. Thus, this theory often fails in practical use (Hall et al, 2008) Process theories of motivation are 'concerned with the thought processes that influence behavior.' (Hall et al, 2008: 374). The Vroom and Porter-Lawler expectancy theories state that the goal for employee is an adequate motivation way. Firstly, the goals for different individuals differ. Secondly, the opportunity of success is the main reason the employees attempt to achieve their goals. Finally, the higher value of the goal can motivate the employee to work harder (Hall et al, 2008) As an example, the goal that an employee can gain promotion through finishing tasks can be more effective than the goal of providing a lunch free. The

financial motivation method is used regularly in business now, and it is very important because of the following reasons. Firstly, according to the Maslow hierarchy needs theory (2008), the basic needs of people are survival. Thus, money satisfies employees' basic requirement. In addition, high salaries attract more skillful experts to join which will help companies to become more successful. Last but not least, the adequate wages retain employees that avoid them enter competitors' firm (Tutor2u, n. d). Financial motivation methods involve different kinds of rewards. To give an example, Microsoft's shareholders will gain ' a vested interest in helping the company succeed and advance its financial position. This is true because the stockholder will directly correlate the amount of money they earn with the perceived worth to the organization'. Because the determination of success is essentially depends on the performance, therefore, the employees in Microsoft will be motivated to work harder. (Impulsive, 2005)Another motivation method contrasts with financial method is the non-financial motivated methods. Although money is a good motivator, it also has its limitations, especially in the company, which is full of the professional and rich workers such as Microsoft. In Microsoft, the employees are skilled and special that they largely derive their satisfaction from their work. Thus, the managers of Microsoft intentionally provide challenging and difficult assignments to the employees. Consequently, the Microsoft employees enjoy the problem solving of these tasks. In this case, the professional employees are better motivated and it directly leads to a high efficient work. (Impulsive, 2005)To conclude, the Maslow hierarchy of needs theory, Herzberg's two-factor theory and Vroom and Porter-Lawler expectancy theories can provide some

assistance for managers to inspire their employees to work with great vigor. It's not effective that use solely financial method or non-financial methods. According to the Maslow hierarchy of needs theory, employees need to be satisfied wages and salaries because it is the basic needs related to survival. Thus, setting the financial motivation method as the main method and use the non-financial motivation method as the secondary method will be more significant. If companies can operate the motivation methods appropriately, the efficiency of the work will be further improved.

Reference Section

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