

# Financial motivation and non financial motivation business essay



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It is commonly believed that the majority of people aim to earn money to meet their satisfaction. In point of the view, it exactly meets Taylor's theory which approach to a 'fair day's pay for fair day's work' advocates utilizing financial motivation to inspire employees' passion (Tutor2U, n d). According to Hall et al (2008), financial motivation can be defined as the way of using money chiefly to encourage employees. Nevertheless, half factor that motivate employees be willing to work with passion have been mentioned in Maslow' hierarchy theory are nonfinancial motivational methods. However, after taking financial and non-financial methods of motivation into account in the work place, it is judged that non-financial motivation is the most valuable for companies to encourage their employees.

Although it is stated that financial motivation methods have benefits to both supervisors and employees, the negative impacts of that are caused simultaneously. According to Hall et al (2008), the core of Taylor' theory is money, which is relevant to the financial methods of motivation, including fringe benefits (benefits which received above wages and salary) and piece rates (employees are paid by how many items they produce in a period of time). An agricultural employee management consultant, Gregory Billikopf, examined thoroughly the productivity of two groups of farm employees, one group was paid hourly, and the other one is paid by piece rate. The result of the research is that the efficiency of the latter group was four to eight times higher than the former one (Ucanr, 2009). It is obviously proved that piece rate not only enhances to the employees' passion on work, but also enhances the productivity of the company. However, piece rate as one of the financial motivation methods has caused some disadvantages. The more

products employees produce, the more money they can earn. Therefore, they probably will not focus on the quality, but on quantity (Tutor2U, n d). In this circumstance, the company is plunged into scrapes in which supervisors not only pays the employees, but also produces inferior goods. Additionally, once a company uses fringe benefits to encourage employees to reach higher targets, the cost of the company will increase dramatically by extensively offering the extra benefits to employees (Tutor2U, n d.). In brief, because money is the solely essence of financial motivation, employees probably will not take appropriate responsibility to the company.

After the above analysis of the benefits and risks of financial motivational methods, it is worth exploring non-financial motivational methods from two aspects; namely, esteem needs and safety needs which had been advanced in Maslow's hierarchy theory (Tutor2U, n d).

To begin with, esteem needs are essential to motivate employees when they achieve objectives in their duty. Employees will receive respect from their colleagues and superiors. In 2001, a Gallup poll indicated that almost nineteen percent of employees were dissatisfied with their jobs, since they were seldom respected or recognized by their supervisors when working (Swlearning, 2003). Obviously, the more recognition employees receive, the stronger sense of confidence the employees will have. Once their confidence is enhanced appropriately, it will probably bring unique enjoyment which money cannot balance. Most importantly, this sense of confidence contributes making them to feel their talents are recognized and trusted. Therefore, the more passion will be involved by the employees into work

(Hall, 2008). Hence, esteem needs play a key role in motivating employees to achieve higher targets.

Safety needs which have been mentioned in Maslow's hierarchy of needs (Hall et al, 2008), including job safety, are one of the most widely recognized non-financial motivational methods. An attractive working place should be well quipped with fire alarms, smoke sensors, safety doors and extinguisher. Job safety is regarded as a factor of whether the staff will continue working there. It can prevent workers from confronting dangerous situations. In 2010, one of the world's largest pharmaceutical firms employed a gas analyzer to test the air quality after the employees complained that there was a serious odour in the office. The result of the test was that there were nearly 25 compounds in the air (Envirotech, 2010). In this instance, employees are more willing to work if there is a healthy environment in which employees can avoid being injured. Employees can work more efficiently if they are equipped with safety measures. In a broad sense, job security should also include safety insurance for workers. With safety insurance, workers can minimize potential loss once the disaster occurs. All in all, an attractive working place should be acknowledged to be safe which employees will have a sense of safety.

In summary, financial motivation (fringe benefits and piece rates) advantages of both employees and companies in some aspects; however, the drawbacks of financial motivation far outweigh its benefits. For instance, albeit employees can benefit from piece rate, otherwise, the low quality product will probably plunge the company into scrapes. In this point of view, non-financial motivation methods which were advanced in Maslow's <https://assignbuster.com/financial-motivation-and-non-financial-motivation-business-essay/>

hierarchy theory are more efficient and have played a significant role in encouraging employees to work with enormous passion, for example, esteem needs (respect and reorganization), and safety needs (job security). These non-financial motivations provide a significant environment for employee to work with passion and willing to take responsibility in to the work. It is suggested that non-financial motivational methods will probably be a leading factor for employees to work with passion.

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