

It is widely
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small part in the
motivation of e...

[Psychology](#), [Motivation](#)



Background

Motivation is the process that initiates, guides and maintains goal-oriented behaviours (Price, 2000). Motivation is the inner drive that plays a vital role in employee satisfaction. Different sources of motivation in the workplace are pay, monetary or non-monetary reward such as verbal or non-verbal appreciation, promotion, rewards etc. Motivated employees deliver superior performance whereas de-motivation creates job dissatisfaction and reduces productivity. Like all other motivational instruments, Pay is also a vital instrument for employee motivation in every organization. Satisfaction is the good feeling that you have when you have achieved something or when something that you wanted to happen does happen. Fair and equal payment motivates every employee and unfair pay structure creates severe dissatisfaction.

The primary reason why people have to work is because of money. Employers acknowledge this, and many companies reward outstanding employees with bonuses and cash rewards.

Motivation is important to an individual as:

- ? Motivation helps him achieve his personal goals.
- ? If an individual is motivated, he will have job satisfaction.
- ? Motivation will help in self-development of individual.
- ? An individual would always gain by working with a dynamic team.

Similarly, motivation is important to a business as:

- ? The more motivated the employees are, the more empowered the team is.
- ? The more is the team work and individual employee contribution, more

profitable and successful is the business.

? During period of amendments, there will be more adaptability and creativity.

? Motivation will lead to an optimistic and challenging attitude at work place

Employees are essentially the most important aspect of an organization.

Managers strive to motivate employees so that they are willing to perform at their highest levels. When employees work hard, come to work regularly and continue making positive contributions to the organization, the business will be able to cut costs and yield more profit, both of which are the ultimate goals of any organization. On the contrary, unmotivated employees will mean the organization will have people that are not willing to do well in the jobs or have to hire more people to do different jobs, which contribute to higher operating costs and a reduction in profit.

Arguments

Role of Pay/money as a motivational instrument

Money makes the world go round, this is mostly applicable for the workplace. Around the world employers consider money as one of the biggest motivators. However, bonuses or cash awards also play significant role in employee motivation.

Many people argue that cash incentives are an unfair means of motivating employees. Others love the simple, practical, down-to-earth gift of money for a job well done (Judiesch, 1994). In my view, while there are some circumstances where money is the best recognition for extra work, there are

other times it is inappropriate.

Meta-analysis completed by Judiesch, (1994) found that individual pay incentives increased productivity by an average of 43.7%. Results were even larger (48.8%) when the sample was restricted to studies in real organizations (as opposed to laboratory experiments). Other interventions were not studied, but we know of no meta-analysis that has presented findings for other motivational interventions that come close to approaching these effect sizes

Locke, et. al,(1980) conducted Metaanalysis of productivity-enhancing interventions in actual work settings and found that introduction of individual pay incentives increased productivity by an average of 30%. In contrast, job enrichment produced productivity increases ranging from 9–17%, while employee participation programs increased productivity by less than 1%, on average.

Of course, if an employer pay some enough money, the employees will do almost any job. And when you give bonuses to reward past behaviour, the recipients are usually very happy. The staff does a better job following the glow that accompanies added money.

However, studies found this happiness is short-lived. Within six months, individuals have difficulty recalling that bonus and it does not seem to have the same impact it did within the first few weeks or months of receiving it. That's because money, in and of itself, will not continuously motivate individuals (Judiesch, 1994).

People in an organization are motivated by different things. Many people argue nevertheless that money is a primary motivator. Some employees have financial goals, others have professional goals, and others have personal goals. The same incentives cannot work for all (Dessler, 2008). Some of the reasons why cash is not always a suitable motivator for excellent employees are:

For most people money is not a motivator – despite what they might think and say.

Surveys and research studies repeatedly show that other factors motivate more than money. Examples appear in the newspapers and in other information resources every week. For instance, a survey by Development Dimensions International published in the UK Times newspaper in 2004 interviewed 1, 000 staff from companies employing more than 500 workers, and found many to be bored, lacking commitment and looking for a new job. Pay actually came fifth in the reasons people gave for leaving their jobs.

The main reasons were lack of stimulus jobs and no opportunity for advancement – classic Herzberg motivators – 43% left for better promotion chances, 28% for more challenging work; 23% for a more exciting place to work; and 21% and more varied work ([www. businessballs. com/herzberg. htm](http://www.businessballs.com/herzberg.htm))

It's the recognition and status that are the true motivators for the increased output. Take for example, the high tech salesperson who sold more product than anyone else in the department. The boss rewards that employee with a

bonus. Everyone knows who the bonus recipient is, and she is proud of her accomplishments—the high earner gains recognition from colleagues and clients. Recognition and status are two key sources of motivation. So while money can serve to motivate, its effects are often short term at best (Feldman et al, 1978).

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Fairness in the job and payment also determines the amount of motivation in the job. Generally before entering into an agreement a person wants to know that he/she will be treated fairly (Turban, 1993).

? The individuals concern with salary, benefits, perks, etc. is a part of the concern about a fair agreement.

? The salary and benefits do not serve as motivators. The workers motivation doesn't depend on the salary. The workers view is that she/he is entitled to the salary and benefits. It is an entitlement, not an incentive.

? If the agreement is perceived as unfair, the worker will be dissatisfied and poor morale will result. But if the agreement is fair, it will play little role in determining whether she/he is a motivated/satisfied employee.

For example, Feldman and Arnold (1978) found that pay was fourth out of six job attributes (opportunities to use important skills and abilities was first) when graduate business students were asked to rank them from “ most preferred to least preferred” (p. 707).

Value and Appreciation: The key to motivation and satisfaction:

Several researchers argued, even when the agreement is fair and understood it takes something more to motivate the worker- to keep the

worker interested and committed to perform. It is quite common for someone to be getting an excellent salary and benefits, to not have to work too hard, and to hate every minute of their job. Some of these individuals quit that job and take one with lower salary and worse benefits because it is motivating to them (Banfield et, al 2008).

According to Kiersy, what motivates people is appreciation (Kiersy and Bates, 1978). A motivated employee is one that feels appreciated. Most people will spend a lot of time (after work and on weekends) working for no pay, and often working a lot harder than they do at their job, to do something that will be appreciated.

Morale problems can result if the employee does not feel appreciated.

? This can happen if manager fails to communicate appreciation to the employee. The manager must convince the workers that their skills and knowledge are valued.

? This can happen if the worker feels that management does not care about their input.

? The easiest way to deal with this type of problem is to increase the participation of the workers in management decisions and to increase communication.

Cases where pay can not motivate

If an employer provides an incentive to an employee who doesn't feel appreciated she/he will label him a fool and take the employer's money and curse him from behind. A merit increment given to this employee will not result in increased productivity. In fact it may result in increased alienation.

However if an employee feels appreciated already, then a bonus or incentive increment is an ideal way to prove to that employee that she/he is appreciated. It is putting money where your mouth is. And then the employee will work even harder to achieve the objectives of the organization. But it is not the incentive that produces the increased productivity. If the incentive works to improve the employee's performance, it is because it confirms her/his feelings of being appreciated—a valued member of the organization (Turban, 1993).

Conclusion

Depending of the nature and types of business of organizations, different motivational factors can be used by the managers. For some of the sales oriented business where employees are looking for appreciation/financial rewards based on their unit of sales or productivity; whereas, in a non-profit organization it might be difficult to motivate employees with financial rewards. Indeed, it is clear that many of the other factors mentioned by researchers such as Maslow and Herzberg, for example, interesting work and participation in decision making are also important motivators to many people. Even though employees appreciate increase pay or financial rewards in the short-run they respond most to opportunities for achievement, recognition, growth, job enrichment and job enlargement in the long-run.

A few techniques that managers could use to motivate employees are:

- ? Get enough payment for the job done.
- ? Praise the employee for a job well done—or even partially well done.
- ? If an employee is bored, involve that individual in a discussion about ways

to create a more satisfying career path, including promotions based on concrete outcomes.

? State clear expectations for task accomplishment.

? Ensure that the employee sees that what she's doing impacts the whole process or task that others will also be part of.

? Provide the employee with adequate opportunity to succeed.

? Make sure that the employee feels that what he/she is doing is meaningful.

? Provide feedback along the way, pointing out both positive and negative aspects.

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