

Motivation of employees in fierce competition business essay



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Due to the furious competition in different markets, ways to motivate employees can be seen as a key factor to companies, which has a significant value that should not be ignored by employers. Meanwhile, due to the highly competition between businesses, an improvement in employees' creativeness and productivity will be more likely for companies to achieve the final goal. Therefore, companies should identify a motivation method that can be the best way for them to motivate staff, in order to reduce absenteeism and dissatisfaction problems. There are, however, a variety of methods to motivate workers, which can be classified into two types- financial, and non-financial motivation theories. Financial motivation methods, recommended in Taylor's theories, value money and work conditions as the best way to encourage employees. The other type is non-financial methods, which was recommended in Mayo's theories, stresses satisfying employees' higher-level motivational needs. Maslow's theory differentiates needs into different levels, including basic and higher-level needs, and Herzberg developed a two-factor theory, which combines the two types of methods suggesting a combination would be necessary. Based on a series of analyses and comparisons, it is suggested that a mixture of both financial and non-financial motivational methods would be the most effective in increasing employees' motivation and productivity.

According to financial motivation theories, staff could be mainly motivated by financial rewards, such as salary, bonus and fringe benefits which are highly recommended in the lower level needs of Maslow's theories and Taylor's Scientific Management theory. There are, however, some defects in their theories that have been found in practice. (Hall et al, 2008)

Figure 1: Maslow Hierarchy of needs (Docsiva, 2009)

According to Maslow's theory, a desirable payment, a comfortable work conditions or a good protection system for employee's rights will lead to an increase of employees' work motivation. As shown in Figure 1, physiological needs and safety needs are at the bottom of the " pyramid", which means, salaries, food, security and physical protection are rudimentary needs for employees. According to Hall, et al (2008), fringe benefits is one of the financial methods which is defined as an extra payment besides wages or salaries, such as health care or pension would works as a useful financial motivation for employees to increase their work productivity. Air Product, the supplier of industrial gas, provides its staff with free yoga classes, skill training courses, and free annual medical checks to improve employees' satisfaction (Hall et al, 2008) Cecilia, an employee in Air Product, said that her expertise and belongingness have been improved by these training courses in the company. (Air Products, 2009) All in all, motivated workers tend to make a greater effort at work to earn the financial rewards, which will in turn have a positive result in the company's profit growth.

Another supporter of financial motivation is the father of Scientific Management –Taylor, who argued that money can motivate staff most effectively. In Taylor's theory, piece rate is another financial reward which argued that employers should make payments to workers based on the amount of work done by each employee in order to boost productivity. Taylor's statement, however, seems to describe employees as machines without feelings or needs. (Hall et al, 2008) As Tutor2u (2009) stated, Taylor's theory completely ignores other needs of workers, which may leads <https://assignbuster.com/motivation-of-employees-in-fierce-competition-business-essay/>

to problems of dissatisfaction or discouragement some employees. From a more comprehensive perspective, financial motivation can obviously encourage staff by giving them good payment or fringe benefits, but financial rewards cannot meet their psychological needs.

Differing from financial motivation, non-financial methods, such as empowerment and team working can satisfy employees' psychological needs which were recommended in Maslow's upper level needs and Elton Mayo human relations theory. (Hall. et al, 2008)

Non-financial motivation can be more valuable to employees in meeting their upper-level needs, which includes love and belong, esteem needs and self-actualization in Maslow's " pyramid". Based on Hall et al (2008), employee' sense of community is at the fourth level (esteem needs) of Maslow's pyramid which allows employees to be trusted and valued in the companies where they works in, therefore encouraged employees will be more productivity. Empowerment is one of the non-financial methods, which has a significantly effect on motivating the workforce by allowing them to take part in the decision making of a company. These ideas also are recommended by Mayo's human relations theory. (Hall et al, 2008) Furthermore, teamwork is another way for companies to motivate their staff, which satisfies the third level needs in Maslow's theories (love belong). In this situation, employees will be distributed into different groups and work together, so that employees can learn more professional skills from their partners and share responsibility in their teams. To demonstrate the effectiveness of teamwork, Hall et al (2008) also stated that cooperation between employees in team working can lead to an efficient working process and a higher chance to <https://assignbuster.com/motivation-of-employees-in-fierce-competition-business-essay/>

succeed at work. According to Free online research papers (2009), Starbucks usually provides an interactive and cooperative atmosphere for their employees, which can help them share responsibility in works and prevent them from getting bored. To look at another example, teamwork has been put into Volvo's Uddevalla. Workers in each individual team are skilled enough to produce cars in time, hence, stocks has been avoided in this situation and the productivity has been increased (Ake, 2007) Therefore, employees in teamwork and empowerment systems will make a greater effort to achieve their companies' goals because they all feel responsible and encouraged from their work.

Employees cannot work without giving them pay; however, they are more likely feel dissatisfied if the companies overlook their psychological needs. As a result, a mixture of non-financial motivation methods and financial motivation methods can lead to higher productivity. Herzberg, another motivation professor, developed two-factor theory which considers both financial and non-financial motivation factors for the employees (Hall et al., 2008). Firstly, Herzberg analyzed numerous cases in which companies motivated the staff by recognizing their effort and giving the workers confidence which can be seen as non-financial motivation. Secondly, Herzberg stated that companies can boost employees' productivity by improving hygiene and maintenance conditions, such as good canteens or free medical checks, which are considered to financial motivation (Hall et al., 2008) Employees may be satisfied by a good work environment, for instance, the largest business software producer, SAP, primarily motivated its staff with a good money payment, however, in order to encourages staff, SAP now

also provides a free lunch, health care and a team work environment to each employee which adequately enhance employees' satisfaction. (BBC News, 2003) Take Savoie Beds is another example which is a small company produces high quality beds. According to BBC News (2003), employees in Take Savoie Bed were motivated by pride in their work rather than bonuses. Therefore, besides money payment and good physiological conditions, communication such as teamwork or feeling can also motivate employees to work more efficiently.

To sum up, financial methods motivate employees by salaries, fringe benefits and good conditions, however, non-financial methods such as empowerment, team working and esteem will provide an intrinsic motivation to the staff to work. It is suggested that companies should satisfy both physiological needs and psychological needs to motivate their employees to work more efficiently. As mentioned above, different types of companies should consider different motivation methods. Manufactories can use financial motivation methods due to most of their employees are low-income. Employees with higher income should be motivated with non-financial motivational methods to increase their productivity and work efficiency. Sometimes an attractive payment cannot really motivate the workers in the long run, therefore, it is also necessary for companies to satisfy their employees' psychological needs to increase productivity and maximize their profits.