

## Chapter 21

### The importance of motivation in the workplace

#### Overview

1. The financial methods of motivation
2. The non financial methods of motivation : job rotations, job enrichment and autonomy

**1. Motivation :** desire to achieve a goal

#### **2. Why is employee motivation important in business?**

1. Easier to attract potential employees
2. Easier to retrain employees as it reduces turnover rate ( the rate at which people leave their jobs.)
3. High labour productivity, resulting in lower cost and better goods and service.

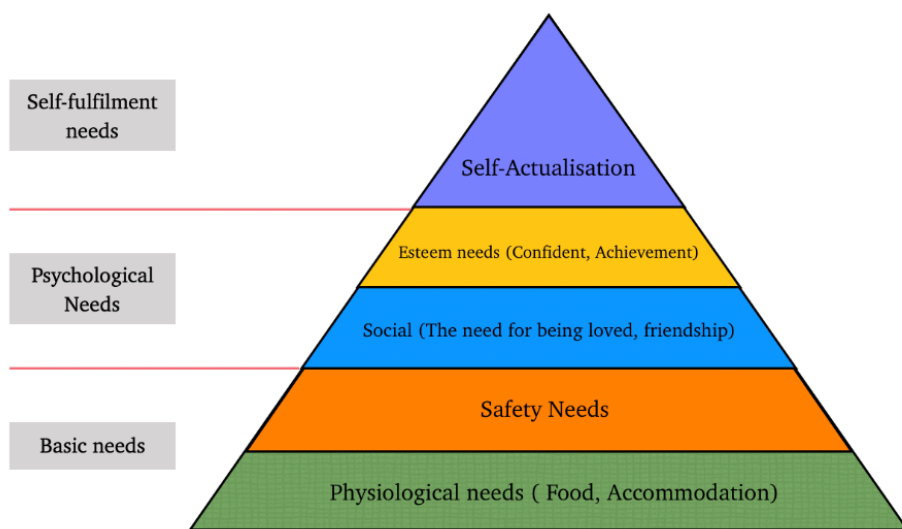
#### **3. How can business influence motivation**

1. **Herzberg two-factor theory** : There are two factors of motivation which are Hygiene factors and Motivator factors.

Factors of motivation	Motivators factors	Hygiene Factors
Definition	Motivators are factors that give workers job satisfaction, such as recognition for their effort, more responsibilities.	Hygiene Factors are factors that can lead to workers being dissatisfied such as pay and conditions.  An improvement in hygiene factors cannot motivate workers.
Example	<ul style="list-style-type: none"><li>• Achievement</li><li>• Recognition</li><li>• Personal Growth</li><li>• Promotion</li><li>• Responsibility</li></ul>	<ul style="list-style-type: none"><li>• Company policy</li><li>• Supervision</li><li>• Relationship</li><li>• Work conditions</li><li>• Salary</li></ul>

2. **Maslow theory:** Order of people's needs starting with basic human needs. The concept of a hierarchy of needs provides a five-tier model of human needs.

1. Physiological needs: basic needs of humans for their survival
2. Safety and security : people need protection from danger and threat.
3. Social needs : People need friends.
4. Esteem needs : People need to be recognised and respected.
5. Self-actualisation : People need to be developed and reach their potentials.



3. **F.W. Taylor** : This theory is based on payment. Higher payment motivates labor to work harder and more effectively. He recommended that jobs should be broken down into simple tasks and that workers should:

- Use specialist tools and equipment
  - Follow a strict working procedure
  - Receive proper training
  - Be paid according to what they produce.
- **To sum up:** an increase in wage can increase motivation of workers to work harder and as a result this can increase productivity and lower average cost.