



Motivation in Practice

- The theorists identify a range of tools that firms can use in order to motivate their workers
- These tools can be split into 2 groups:

Monetary Rewards

- This involves rewarding a worker in a financial sense, e.g.
 - Payment systems
 - Bonus Schemes
 - Staff Discounts



Non-Monetary Rewards

- This involves giving rewards other than cash, e.g.
 - Job rotation
 - Job enlargement
 - Job enrichment
 - Quality circles
 - Participation





Non-Monetary Rewards

- Herzberg recognised that money was not the only way of motivating people.
- Other methods available are:
 - **Goal Setting or Management by Objectives (MBO)**
 - **Participation**
 - **Job Rotation**
 - **Job Enlargement**
 - **Job Enrichment**
 - **Quality Circles**
 - **Flexi-Time**
 - **Perks and status symbols**
 - **Appraisal**
- However, although all of these methods are valid, they can cause problems

Use a textbook to obtain a definition, along with an advantage and disadvantage of each of these



Monetary Rewards

- If a firm wishes to use money to motivate, then there are a number of options:
 - Flat Rate or Time-based rate
 - Piece Rate or Output-based rate
 - Bonuses
 - Commission
 - Profit Sharing
 - Share Options

Draw up a table that defines and compares each of these methods



Monetary Rewards - A Comparison

Payment Method	Definition	Advantage	Disadvantage
Flat Rate	Paid according to number of hours worked	Useful in service industries	No incentive to work harder
Piece Rate	Paid according to production	Gives incentive to work quickly	Lower quality products
Commission	Paid a percentage of the value sold	Useful for sales staff	Can result in low basic wage
Profit Sharing	Workers get a small share of profits	Creates a "team" feeling	All employees get the same
Share Ownership	Workers are given free shares	Increases loyalty	Only available to LTDs and PLCs



Other Motivational Factors

- People are motivated by many different things
- In addition to rewards there may be other factors that can motivate staff

➤ The nature of the job

- Some people do a job because of the positive effects that job will have on others
 - ◆ E.g. People do charitable work to help others



Individual Circumstances

- People in similar circumstances tend to be motivated by the same factors
 - ◆ E.g. students tend to be motivated by money while mothers may be motivated by flexible working arrangements



Working Conditions

- Staff can be affected greatly by their working conditions
 - ◆ E.g. Possibility of working in teams





What Motivates Them?

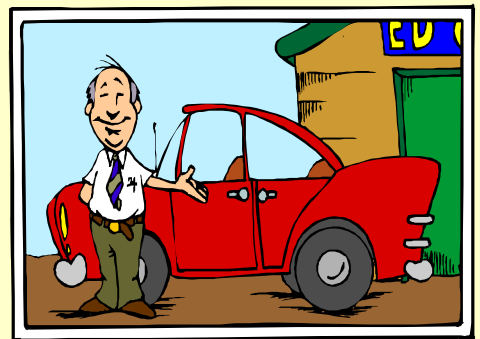
● What do you think is the MAIN factor that motivates each of the following workers



A Retired Man Who Takes a Part-Time Job



A Chart-Topping Singer On A Comeback Tour



A Car Salesman



A Young Couple Who Have Just Bought Their First House



A Mum Wants A Part-time job during nursery hours



A Teacher



What Motivates Them? ANSWERS

- What do you think is the MAIN factor that motivates each of the following workers

Keeping Active
& Being With
Others

A Retired Man Who Takes a
Part-Time Job

Creating
Something
Worthwhile &
Being
Recognised

A Chart-Topping Singer
On A Comeback Tour

Getting to Drive
New Models & Use
Them to Travel to
& From Work

A Car Salesman

Job Security &
Promotion
Prosepects to
be Able to Pay
Mortgage

A Young Couple Who Have
Just Bought Their First House

Flexible Hours,
& Contact With
Other Adults

A Mum Wants A Part-time
job during nursery hours

Having a
Positive Effect
On Others!!

A Teacher