

→ MOTIVATION

- Identifying what every single individual wants & trying to fulfill it.
- Difficult role to play because you would be judged depending upon / on the basis of the workers' improvement
- Sometimes the wants of the worker may be unrealistic

Eg: Worker says that he would happy & would be able to perform well only if he gets a car. Here the work of the department doubles. First, the worker needs to be explained that his wants are unrealistic & then some more realistic ^{want} need needs to be fulfilled

→ MOTIVATION THEORIES:

→ Maslow's Hierarchy of Needs:

Self Actualisation

Esteem

Social

Security

Physiological

- It is a tool to identify the needs of the workers.
- It helps to categorize employees on the basis of their needs, thus making the management task easier.

→ Physiological Needs:

The basic requirements for survival - food, clothing, shelter & a means of earning.

→ Security Needs:

Need for job security & having stability

→ Social Needs:

Need to have good relationships with co-workers
The need for interaction & support at work.

Eg: Business which are away from cities
create townships & celebrate festivals so that
people who come from different parts of the
countries can interact.

→ Esteem Needs:

The need for self respect & to be respected by
others. Being given recognition for a job well
done.

→ Self Actualisation:

The need to reach your full potential & be
promoted. Having a feeling of satisfaction

of having done a good job. Being happy personally. Given more responsibility & accepting challenges.

→ Taylor's Theory:

- Started around industrial revolution.
- The basis of this theory is that people work only for money. Money is the main motivator.
- His theory is also called the scientific theory. It suggests that every aspect of manufacture should be looked at scientifically.
- Work is broken down into simple processes, & more money is paid which will increase the level of productivity an employee will achieve.
- The extra pay is less than increased productivity.
- Drawbacks:
 - Even if you pay more, there is no guarantee of a productivity rise.
 - It is difficult to measure an employee's output.

→ Mayo's Theory:

→ He identified that providing the right working conditions & helping build social relationships within the organisation makes people perform better.

Eg: having canteen for workers celebrating festivals together

→ The theory was introduced when there were more jobs but lesser number of people to work. Business's were trying to notice & recognize what beyond money should they provide to attract people to work.

→ Herzberg's 2 Factor Theory:

→ Herzberg suggested that everything that a business does for his employees can be categorized as a hygiene factor or a motivational factor.

→ Hygiene Factors:

- Status
- Security
- Working Conditions
- Company policies & administration.
- Relationship with subordinates.
- Salary.

→ Motivational Factors:

- Achievement
- Recognition
- Personal growth / Development
- Advancement / promotion
- Job satisfaction.

→ McGregor's Theory (X & Y Theory):

→ X Theory:

The assumption that people don't want to work & so need to be dealt with strictness.

They need more supervisions, tougher consequences & should be lesser involved in decision making.

→ Y Theory:

The assumption that people like to work if provided with right conditions for performing. They need lesser supervision, more freedom to work & good office spaces. They should be involved in decision making.

→ FINANCIAL MOTIVATORS

→ Wages / Salaries:

Wages are paid every week so that the employee doesn't have to wait long for money. Workers get extra pay for the over time they do.

Ways / Methods to calculate wages:

Time rate :

- Payment according to how much time has the employee worked. It is used in businesses where it is difficult to measure the output of the worker.
- Both ^{good} & bad workers get paid the same. Therefore more supervision is required.

+ Piece rate:

- Payment according to the output (no. of units produced). It is found in businesses where it is possible to measure worker's productivity.
- It encourages worker's to work hard & produce more goods.

→ Bonus:

Extra money that is given on festivals to help the workers celebrate/enjoy them better.

→ Profit Sharing:

- Profit sharing is to share a percentage of profit with your employees
- However, they will get nothing if the business doesn't make a profit.

→ Commissions:

- Commission is different from brokerage.
- It is a percentage paid usually to sales staff, depending upon the value of goods they have sold.
- Types:

(1) where only commission is paid. There is no salary.

(2) where there is a fixed salary & you are given a sales target. For any sales beyond the target, commission is given

(3) There is a fixed salary & a commission is given on every thing you sell.

→ ESOPs (Employee's share ownership programme)

- All employees own some share of the business depending upon their position.
- Eg: punes of Flipkart (they will become millionaires if Flipkart becomes public limited)

→ Fringe Benefits/Perks:

- These are additional facilities given to employees that are in a non monitoring form but have cost implication for the business
- Eg: Car, house, insurance, sponsoring holidays.

⇒ NON FINANCIAL MOTIVATORS:

→ Job Rotation:

- When the job/work is changed over a period of time because it tends to be monotonous & boring & can affect the efficiency of the employee
- Sometimes, job rotation can be in critical jobs
- Eg: A security person standing at the gate clerks in a bank.
→ Air traffic controller

~~Increase in responsibility is horizontal in nature~~

→ Job Enrichment:

- Improving working conditions for the employees to work.
- Sometimes it may involve a cost to the business but there is no financial benefit given to the employee.

Ex: providing air conditioned office
providing new gadgets.

- Eg where cost is not involved: responsibility of training a new employee

→ Job Enrichment ~~vertical in nature~~

- Increasing the scope & extent of work
- Eg: Increasing the number of regions a sales person needs to handle
- Only sometimes, the salary is increased
- What is motivating is that more challenges & responsibility is given to the person.

→ Praising the Employee periodically!

in front of his team mates is motivating as well.