

Motivating people

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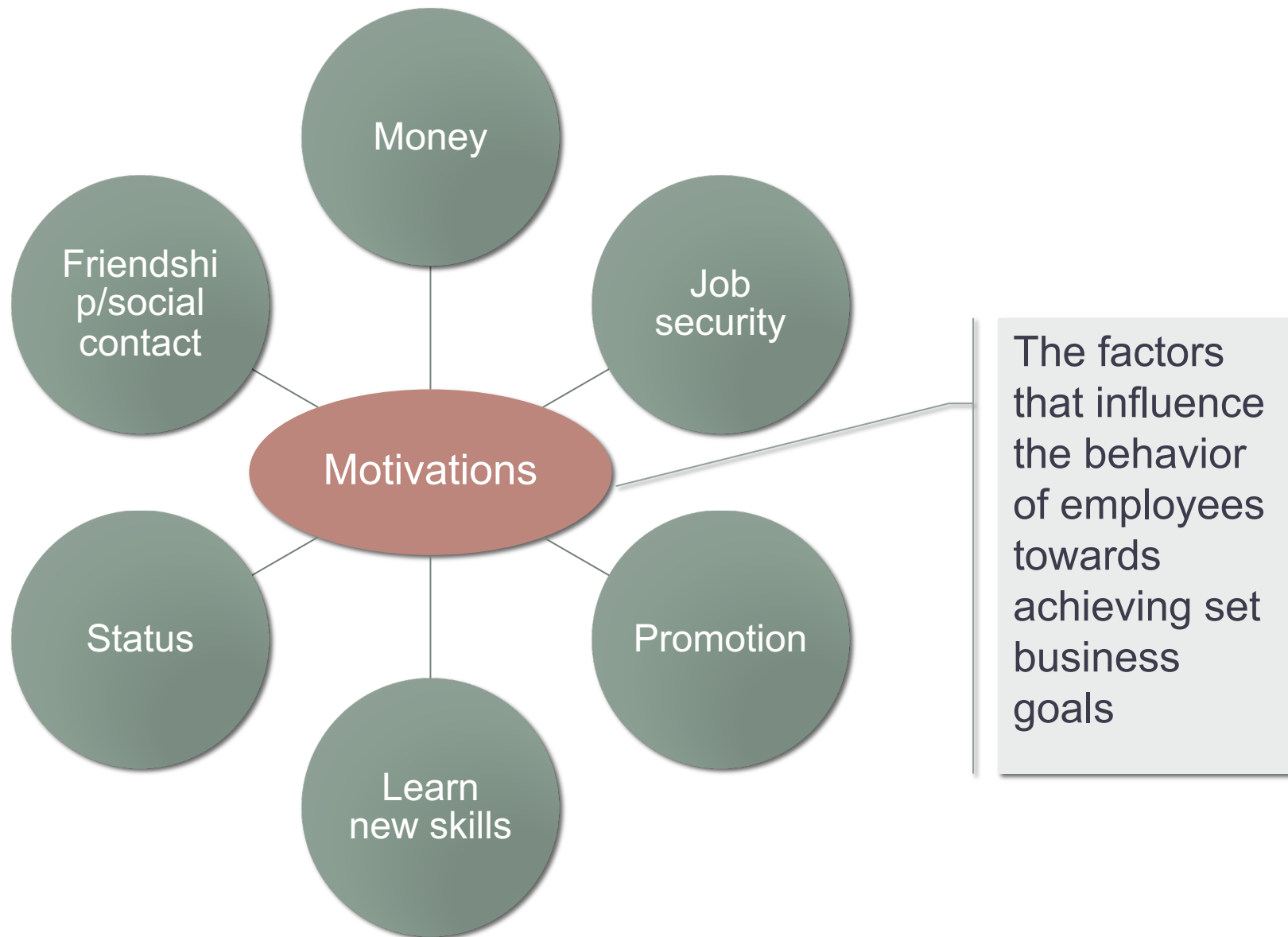
Why people work

Read the following extracts. Describe the reasons why each employee works.

1. Brad works in a large supermarket. In his department there are six other people. Brad spends most of his time putting products on the shelves, which he finds boring: 'It's not well paid but I need a job, and I know it's safe and everyone is so friendly.'

2. Sue is a finance manager for a small manufacturing business. She has worked there for ten years. During this time she has been promoted three times, and has often been praised for her ideas: 'I have helped this business grow, but I feel ready for a new challenge'.

Why people work



The importance of a well-motivated workforce

1. Produce better **quality** goods and services for customers
2. Increase labour **productivity** → Reduce average costs and increase competitiveness
3. Low rate of **absenteeism** (*non-attendance at work without good reasons*)
4. Low rate of **turnover** (*the rate at which employees leave a business*) → reduce recruitment cost and training cost

Maslow's hierarchy of needs



Activity 6.2 P75



Think about how a business helps employees satisfy their needs.

Maslow's hierarchy of needs

Importance

Help managers organize work to satisfy workers' needs
→ improve employee motivation
→ increase business efficiency, reduce business costs
and improve profitability, improve competitiveness

Maslow's hierarchy of needs

Limitations

- It is often difficult to identify how much of each need has been met and which level each employee is on.
- Money might also satisfy esteem needs as well as those lower down the hierarchy.
- Not everyone has the same needs as those in Maslow's Hierarchy.
- Self-actualisation is rarely, if ever, achieved. Therefore, unless more challenging tasks are always being provided, it is unlikely that work will help to satisfy this need. There is the risk that if jobs are no longer challenging employees will become demotivated.
- There is no explanation of what motives people what have achieved self-actualisation, e.g. Bill gates.

Taylor's scientific management theory

1. Taylor assumed that **money** was the main motivator for employees.
2. He divided jobs into simple steps to work out how much could be produced each day. Employees are trained to do specific jobs in the process. Managers supervise the work.
3. Pay is based on the number of items made – **piece rate**. This should increase productivity.
4. Problems – work is repetitive, leading to boredom. Money is the only factor in motivation. This theory will not work for all jobs.

Herzberg's two-factor theory



Herzberg's two-factor theory

Hygiene factors Factors necessary for people to work but do not make people work harder	Motivator Factors which encourage people to work harder
Working conditions	The work itself – the task employees do
Relationships with others	Responsibility
Salary or wage	Advancement – opportunity for promotion
Supervision – leadership style	Self-achievement
Company policy and administration	Recognition of achievement – recognized by management and colleagues