

EMPLOYEE MOTIVATION TOOLS

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Abstract:

Today, no one doubts that employees are the key to success of any organization. It is immensely important to ensure that employees feel good at work, know their role and significance, and are well motivated. The article looks beyond employee motivation tools. It describes both the financial incentives such as: basic remuneration, bonuses (statutory, appreciation), commissions, rewards, and the non-financial, non-pecuniary (equipment, safety, training). Significant attention was paid to sense of shared responsibility, effect upon the work process, and responsibility. A number of activities enriching the work were defined, such as providing frequent feedback on work efficiency, ensuring development, personal work programme, flexible hierarchy of the management, result-dependent work assessments. Practical application of the theory of motivation and the principles of effective motivation were presented. The article not only looks beyond motivation tools, but also indicates their practical application. It should be considered worth reading both for the HR academic workers and the HR-oriented practitioners.

Keywords: motivation, human capital, employees

1. INTRODUCTION

Today, no one doubts that, director, manager, or leader should demonstrate creativity. Duplicated, common schemes do not suffice. Changing circumstances require a continuous improvement of human resources management tools. The companies that do not fulfil the above requirements fall into stagnation. Modern, up-to-date managers should possess appropriate qualities, the relevant skills to motivate their subordinates. Man is considered to be the most valuable asset of any company. The science of management to a large extent the study of human beings. In order to efficiently manage one has to remember the essential functions of management ie: planning, organizing, motivating and control.¹

Human resources is the cornerstone of any organization. People generally tend not to utilize the entire dormant energy at work . Only via suitable motivation it can be triggered and that is precisely the effective human resources management.

The aim of this article is to review and discuss the available motivation tools and theories of motivation with regard to their practical usage. This article was written on the canvas of the authors' own research and observations, resulting from numerous years of experience in the management of human capital. The article is to aware the managers, researchers and other readers of the existence of a wide range of motivation tools and to encourage them for their practical use.

2. MONETARY INCENTIVES

Each organization has an extensive range of motivation tools. These tools can be divided into monetary (financial and non-financial) and non- monetary. The monetary, financial incentives include:

- base remuneration,
- bonuses (statutory, discretionary),
- commissions,
- rewards.

The main financial tool for employee motivation is basic remuneration paid in a fixed amount irrespective of the performance. The variable remuneration is usually paid in the form of result-dependent bonuses. If the principles of bonus payments are specified in a document that was published, which workers are familiar with, then we deal with statutory bonus.

If the principles of payments are not specified and the bonuses are paid according to the "appreciation" of the employer, then it is a discretionary (appreciation) bonus. In addition to the components, the employees are also motivated by proportions of both of the above mentioned elements of remuneration. Some will prefer high basic remuneration agreeing to low (or lack of) bonuses, while others will prefer a relatively low basic remuneration but combined with the possibility of obtaining a high bonus dependent on the work results.²

Another form of variable pay is a commission fee. It is a precisely defined employee's share in income granted for intermediation in selling of the particular goods (products or services). Usually expressed as a percentage fee monetised or the commission fee mostly occurs in the trade. The last of the discussed monetary forms (although they may occur also in material form) of remuneration is a reward. If the reward is to be motivating it must satisfy a minimum of three conditions. First of all it has to be felt by the employee – ie it must be in such amount (or form) so that an employee feels appreciated for their effort. If this condition is not met – the received reward will not be valuable for the employee. They will regret the efforts incurred to obtain it. While the reward will pose demotivating impact on the employee instead of motivating. Secondly the reward should not be excessively delayed in time, that is, it should be granted as soon as possible after the fulfilment of the conditions determining its receipt. Otherwise, if the time is inaccurate, the employee can forget the reason of being awarded the bonus, the positive behaviour and attitude will be lost. Thirdly the reward in its essence cannot be granted to all, and especially in the same form and height. If each employee receives it in the same amount, regardless of their personal contribution to the realization of the task,

¹ Zakrzeska-Bielawska A.(2012) Podstawy zarządzania, WoltersKluwer business, page 34.

² Juchnowicz M. (2008) Narzędzia i praktyka zarządzania zasobami ludzkimi, Poltext, page 119.

the reward does not meet its motivational function. The award should be for the selected, whereas the rewarded employee should feel special, distinguished from other colleagues.

Employees can also be motivated by material but non- cash incentives which include the following:

- equipment,
- medical care additional insurance,
- guaranteed child care,
- extra holidays,
- trips, social events,
- education subsidies.

Some the employees are significantly motivated by the equipment offered by the employer to perform duties. Company car, laptop or even mobile phone positively affect the employee's approach to work. In order to maintain the motivation process equipment replacement is necessary over time. Work conditions, more specifically the building in which the work is carried out, along with the office and its equipment are also motivating and can give a sense of prestige.

More often the employers consider medical care and additional employee insurances as motivation tools. These benefits provide comfort to employees on the occasion of using healthcare services. The ability to use medical care without queuing which is frequent in the public healthcare is appreciated by everyone who has ever had to use such care.

In Poland 30 years ago company creches were a common phenomenon . Large companies, employing many workers used to organise kindergartens for their children. Being a relic of previous era company kindergartens were closed down after the change in the system. Today, a return to similar practices is frequently considered.³ Some employers, especially in public administration are not able to compete with private firms as far as the remuneration is concerned. Consequently after gaining relevant experience in administration, young workers leave to a business which offers higher earnings. It was observed that young mothers quite often present the discussed behaviour.

In order to suppress this trend companies started to organize kindergartens to ensure care for employee children. With time has been noticed that young mothers prefer to earn less if provided with the comfort of childcare in the nursery located near the workplace. This solution is more preferable than higher earnings combined with the need of transporting children to the kindergarten located on the other end of the city and the discomfort of coming for children in a hurry after work.

Vacation is usually granted to employees in the dimension specified by the labour law (in Poland, depending on seniority, it varies from 20 up to 26 days per year). Nothing, however, precludes that employers to give more vacation than provided for by provisions. Labour laws specify a minimum, the employer however may adopt more favourable solutions for employees than those referred to in generally applicable regulations. Additional leave may therefore be an important motivating factor, for example, awarded for outstanding achievements or as a reward could contribute to increased productivity.

The possibility for business trips, participation in social events may also be considered as an incentive. Employees often would not decide to finance trips and events with their own funds, in which they have the opportunity to participate with because of their functions. If trips are to be motivating the employers cannot exaggerate with their intensity and frequency. Too frequent and extensively long trips, which absorb free time, will become over time an unpleasant necessity rather than an incentive.

In practice, the development in such areas as knowledge, skills is essential for every employee, not to mention perfecting those already acquired. Thus, it seems immensely significant to provide the employees with opportunities for training. Employers may fund education in trainings, courses, studies or subsidize in part the cost of their participation. Thanks to that the employee will feel appreciated, that the employer is investing in their development and ensures the development of their competence.

³Szaban J. (2011) Zarządzanie zasobami ludzkimi w biznesie i w administracji publicznej, Difin, page 55.

The employer however, gains a loyal employee, attached to the company (at least by loyalty agreement), who has borne the costs of their education.⁴

Motivating tools can also be divided according to their impact. Coercion tools constitute for all kinds of orders, prohibitions, recommendations, standards of work health and safety, etc. They impose certain behaviour to employees, regulate the competence and responsibilities the employee. They interact unidirectionally, the employee is obliged to submit to them.

Incentives mean appropriate selection of employees for posts, forms of work organization, forms of remuneration and its components, the structure of pay, bonuses, social benefits, and even physical and mental comfort. They are based on positive motivation, that combine the employer advantages with employee benefits. They regulate the operation of economic and non-economic incentives, the size of their tasks and effectiveness. Tools of persuasion consist of staff- management meetings, negotiations, consultations with employee representatives, the creation of partnerships and broadly understood employee participation in management. These tools interfere in mental sphere of man, are aimed at shaping the desired behaviour patterns, they do not offer neither penalties nor rewards. They create significant sense of influence on the fate of the company and the possibility of decision making on the most important issues related its operation.

3. NON-MONETARY INCENTIVES

Not all motivation tools demand expenditures. A wide range of tools that do not produce any costs, and have positive impact on employees exist. This type of tools include a number of work enriching techniques such as:

- providing the employees with frequent feedback concerning their performance,
- providing opportunities for employee development
- providing employees with the possibility of creating their work program,
- the introduction of employee liability,
- flexibility of managerial hierarchy (open communication),
- assessment by employee performance.

Normally a trend, according to which employees receive work feedback only when they perform their duty in a bad way, can be observed. In a situation where the work is performed as expected, that is according to the accepted standards and norms, the employees do not receive work feedback. The kind of approach is inappropriate because everyone likes to be praised, and feel appreciated or recognised. By providing positive work feedback decent behaviours and habits are consolidated while the employee is aware that his work has been appreciated and the effort put into execution of duties has brought the desired results. Even the best-performed tasks in which the employee came to perfection may in time prove to be tedious and uninteresting. During long term performance of the same activities with time may lead to routine and turn out as schematic. In order to prevent such situations from happening, employees' work should be diversified. If the employee proved his value in the performance of the simple tasks, they should be assigned to more complex, thought-demanding and cognitive tasks. Thus we provide employees with sense of development, which is a very important element of motivation. During the interviews employees who spent many years in one organization, when asked about the reasons for seeking a new employer, they responded that that they have already achieved everything that was possible, with the former employer, they lack new challenges, seek development and are eager to be tested in new areas. Some employees like to have their duties clearly defined and described. Need to have accurate guidance on the implementation of the tasks entrusted to them. While others prefer and appreciate the freedom to shape the course of their work. They prefer to be accounted for the work effects and be free in shaping the way to achieve it. After diagnosing what is the your preferred work style through organizational measures can have a positive impact on employee motivation.

In the process of any work it is essential to introduce accountability. The employees should be aware of their responsibilities and to what extent. A sense of urgency and empowerment itself, positively affect the course of its implementation.

⁴Sidor-Rządkowska M. (2013) Zarządzanie zasobami ludzkimi w administracji publicznej, WoltersKluwer business, page 79.

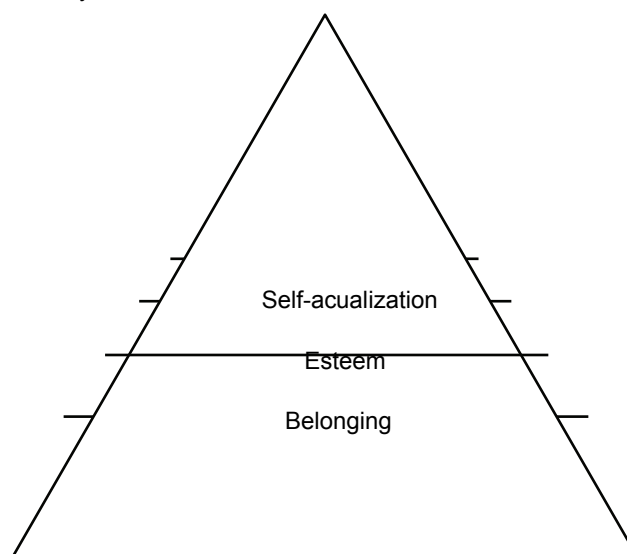
Limited employee contacts with top management are a frequent phenomenon in large, complex organizations. Managers, directors locked in their offices, separated by secretariats occasionally interact with "ordinary" employees. This practice hinders communication, efficient flow of information, creates sense of isolation and forms divisions. It is enough that the manager, director from time to time came out of his office to meet and talk with the employees of the lowest levels of the organizational structure. Such an attitude will certainly be appreciated by the employees, and will create sense of significance of the performed tasks, increase self-esteem and motivation.

A task or work entrusted to an employee should be accepted, which means that the task should be checked in terms of its completion. It is significantly important because otherwise, if the employee performs the task, and no one will check whether it was completed. It is significantly important because otherwise, if the employee performs the task, and no one checks whether it was completed, next time the employee will perform the task carelessly or leave it unfinished. Thus it seems unjustified for the employee to bear the efforts of work since no one checks what had to be done. Such situation is demotivating and results in careless realisation of the tasks given. Therefore, the employers must remember to verify work results on the agreed date.

4. THE REVIEW AND APPLICATION OF THE THEORY OF MOTIVATION

The problems associated with the art of motivation has been the subject of various digressions and considerations for many years. Abraham Maslow's (1908-1970) hierarchy of needs theory is very popular. According to the theory human needs can be arranged in a pyramid (see figure 1) in which physiological needs are the lowest whereas safety, belonging, esteem and self-actualisation needs are placed above them. Implementation of the needs of every next level of the hierarchy is possible only after meeting the needs of the level below. If any of the stronger, lower needs, is compromised then a person will try to fight for its realization. If we are deprived of any of the lower needs, we do not care about satisfying the high needs. According to Maslow a fulfilled need does not motivate, so when satisfy a need, we realize the existence of new, which begin to motivate us. Functioning of man and development are the implementation of subsequent levels of the "pyramid" ⁵. This hierarchy has firm roots in human nature. At the dawn of history primeval man, guided by instinct had to satisfy hunger in order to survive, risking life and health he took risk to hunt something to eat. Once he did it he started looking for a safe place such as a cave where he could eat safely and relax after hunting. Staying alone in the cave he was lonely - that is he felt the need of belonging. After had found company he started to feel the need of respect and recognition of his person in the eyes of others. Only when all of these needs were met then it could be said that he felt a sense of accomplishment and self-actualisation.

Picture 1: Maslow's hierarchy of needs



Source: Own elaboration based on <http://communicationtheory.org/maslow>

⁵ Armstrong M. (2011) *Zarządzanie zasobami ludzkimi*, WoltersKluwer business, page 288.

A similar division was proposed by Frederick Herzberg (1923-2000), who in turn distinguished hygiene and motivation factors. Hygiene factors allow to eliminate job dissatisfaction, lead to tranquillity, these are: remuneration, interpersonal relationships, working conditions. Their absence in the workplace automatically causes dissatisfaction, but their occurrence at most allows for lack of dissatisfaction. The lack of incentives in the workplace causes dissatisfaction, whereas the presence of motivation tools (only if hygiene factors are met) leads to satisfaction.

Motivation factors include the recognition of achievement, responsibility, development and challenges. Only satisfaction of the factors allows for realisation of hygiene motivators. It is a natural and common phenomenon. We cannot talk about any kind of motivation if the employee would not have a safe workplace, the money he earns is not enough in order to survive, or when the atmosphere at work is bad and the employee does not feel like coming to work. Not until is he provided with a certain minimum, id est: appropriate work place, equitable remuneration, good work atmosphere, then one can speak of motivation through the development, sense of responsibility and challenges.

Douglas McGregor (1906-1964) suggested two opposing ways of thinking about employees, which in his opinion were quite common among managers.⁶ The X theory presents employees in a negative light while the Y theory presents employees as people willing to work. According to the X theory people do not like working and typically work reluctantly, are not ambitious, avoid responsibility, and if they do not like working then they need to be forced to work, controlled and assessed. Diametrically different the Y theory implies that people consider working as something natural (like resting playing, etc.), accept responsibility, are able to make the right decisions, are creative and resourceful, they control themselves, and thus do not need the supervision and continuous checking. According to the expectancy theory by Victor Vroom (1932) the strength of tendency for action depends on the strength of the expectations that the action will bring a certain effect, and of attractiveness of this effect, the effect is dependent on the expected reward.⁷ Knowing the expected value of the prize people, make subconscious calculations whether the effort incurred to get it will be compensated. This process is natural and proper not only to people thus for example cheetah chasing a small creature for a short distance, gives up sometimes because he knows instinctively that if he chased it for a long time, even if he would get it, the meal would not compensate for the loss of energy consumed to catch it. Equity theory by Jonhn Stacey Adams (1925) seems to be an extension of the above theory. According to his theory, people compare what they put to work that is input, with what they gain from it that is with the results. Subsequently they compare it to inputs and the results of other people. They seek for compensation when justice occurs. When an employee receives a bonus or a reward, he compares its value with the effort made to get it. Then he compares it with the rewards and results of others. If one employee made an effort, was careful in his work and received a reward equal to the one received by someone who did not deserve it, then in result the situation will be demotivating for both the employees. The former will not work efficiently in the future, because the prize is still the same, and the efforts are worthless. The latter will however see no sense in improvement for the same reasons.

5. PRINCIPLES OF MOTIVATION

If motivation is to be effective and result in the desired effects and benefits both for the employees and the employers, the following principles should be followed:

- proportionality (to effort) - the reward should include the effort made to get it, it should be the higher, the more energy one had to use to get it,
- diversity (not class) – the reward should be different according to the actual effort, and not dependent on the position held or rank,
- positive motivation (for achievement) – positive events (monetary or non-monetary), achievements should be appreciated, if the bonus is paid to the occurrence of the negative event that results in its withdrawal then the lack of bonus will not be motivating, the employee will have a sense of grievance and injustice,
- psychological distance (the reward not be postponed in time) - the reward should be granted as soon as possible after the incident conditioning its granting, in this way desired expected by the employer behaviours will be fixed,
- correct orientation - people should know what they are rewarded and punished for, what

⁶D. McGregor (1960) *The human Side of Enterprise*, McGregor-Hill.

⁷Vroom V. (1966) *Work and Motivation*, Wiley.

- circumstances, events, determine receipt of the prize, and the sanctions are applicable,
- simplicity and transparency - the principles associated with motivating, rewarding should be simple, clear, easily interpretable,
- incentive threshold persistence - the values should be felt, the value of the expected reward should encourage employees to efforts aimed at obtaining it,
- internalisation of organizational objectives - motivational system should be linked to the objectives of the organization, should promote actions that lead to the achievement of the strategic objectives of the organization,
- limited availability - if the reward is to motivate, it cannot be available to everyone, the receiving employee must feel exceptional, distinguished from other employees.

In conclusion it is worth to positively motivate that means gradually embody the expectations of employees with simultaneous achievement of the employer objectives. If someone is to be punished then the basic principles of penalties should be taken into account, ie negative feedback should be passed face to face, in a way that it is not humiliating, provides understanding of errors that the employee had made and allows to avoid them in the future. It is worthless to appropriate the success of employees. An employee acknowledged for their work will work more efficiently in the belief that his effort is appreciated. Fairly ambitious tasks should be ordered in order to avoid monotony and routine and to provide a sense of development. Directions and workforce development programs should be agreed with them in order not cause a situation in which the employer plans interfere with the employees vision of development. It is worth to delegate permissions, because sense of responsibility is itself motivating. Employees should be appreciated as often as possible, in result desired behaviours will be fixed. Finally, various motivation tools should be used - a wide range of them exists as presented above. Every employee is different and has different expectations and values the art of motivation is reflected in the ability to use them to achieve the objectives both of the employee and the organization.

6. SUMMARY

As presented in the article the managers today have a wide range of possibilities for the use of various motivation tools. The conducted observations, research and analysis of the case studies show that some of the interchangeable tools are rarely used. This is mainly due to lack of the awareness of the managers of their importance or even of their existence. The tools, which also can be used at no cost in order to improve work efficiency. The authors hope that the reading will change this state of affairs and will help to further improve the management of any organization's most valuable asset - the human capital.

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