

Motivation and reward system

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Abstract

The paper analyzes the praise and recognition in the absence of motivation among subordinates and employees. It interprets practices and tools that shall be used by management team in theory to keep the satisfaction level of personnel with personal reflection on how to encourage staff members to work and stay active in the production and social life of the company.

Key words: *motivation, reward system, compensation, remuneration.*

Literature Review

Organizations need motivated employees to maintain an effective workforce that is willing to achieve strategic organizational goals. Motivation can be defined as “a set of energetic forces that originate both within as well as beyond an individual’s being to initiate work-related behavior, and determine its form, direction, intensity, and duration” (Pinder, 1984, p8).

Rewards can be used to influence motivation. By no means are non-financial rewards the only way to motivate, as there are many HRM practices that aim to motivate. The literature on reward systems has broadened its scope to include non-financial rewards, as these are also important to direct and shape desired behaviors (Chiang and Birtch, 2007)

The word ‘motivation’ comes from the Latin ‘to move’, and it was depicted as something that directs, energizes and maintains behavior (Maslow, 1943). Analysts and psychologists have studied human motivation and produced theories about factors that motivate people. One of the well-known motivation theories is Maslow’s Hierarchy of Needs. Every person begins the rational thinking motivation through this theory. It is true that everyone always tend to have and desire of something what they need is to be resolved by things already been acquired.

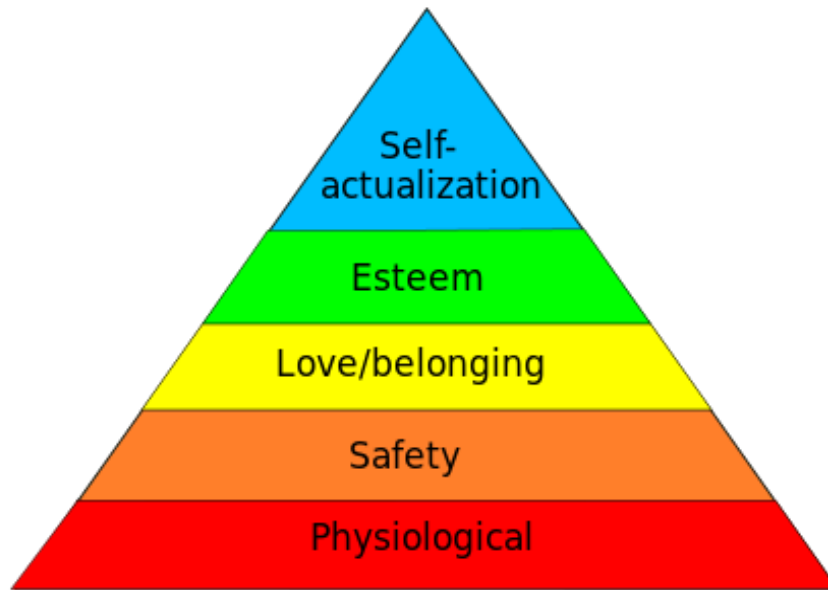


Figure 1. Maslow's Hierarchy of Needs (McLeod S.A, 2016, Maslow's Hierarchy of Needs)

The level four is indicated as '*esteem needs*'. It means it should be exclusive with self-respect and to benefit from esteem coming from other person. We like to appraise ourselves highly and with accordance to our success looking for any appreciation from others (Maslow, 1943). Shortage of such appreciation may lead to inadequacy, vulnerability and limitation. The top stage of Maslow's hierarchy of needs is necessitating of '*self-actualization*'. The needs are developed based on the joint satisfaction from other below four levels. It also known as self-fulfillment and this tendency highlights the potential of what a person shall become more actualized. The foundation of the theory is stretched out that one layer of the hierarchy is fulfilled, its force diminishes and force of the next layer increases. Maslow noted that there is no need that one layer is fully fulfilled and a person can proceed to next level. A person will be partially satisfied at one layer and will still look for the satisfaction acquisition in the next level.

The second theory is Herzberg's motivation-hygiene, also known as two-factor studied work satisfaction in the 1950's in Pittsburg. According to Herzberg's proposal any thought that causes the work satisfaction are the reverse of those things that cause work unhappiness. Herzberg researched that people become happy by the things they do or the way things are exploit and what makes people dissatisfied is the way they have been treated (Beardwell & Clayton, 2011). What makes people to be satisfied at their job is diverse from the things that creates dissatisfaction so that these acceptances are not contradictory. As an outcome: motivators and hygiene aspects will inspire employees mind, but all of them will be committed based on different reasons. Hygiene

part tends to ground just short-term satisfaction to subordinates while motivators will lead most likely to long-term work satisfaction.

Nohria et al. (2008) recommended that human resources can be manipulated to perform their best, under various conditions and challenges, in high pressure and loads of work or tight deadlines. And it is core liability of line managers to ensure that the subordinates are motivated well and stay stress resistant. Breadwell and Holden in 1994 formulated that there are certain theories helping out managers to boost “added value” of the employees through giving confidence in what they do and stability in the further performance in order to aim highest efficiency level.

Al-Eisa (2009) reported that motivation can be reviewed based on external and internal factors, providing strength and aspiration to human resources to persistently involved in their operational procedures and build an attempt to reach an objective. Armstrong (2010) positioned that motivation theories commonly highlight the way of employees’ behavior at their job stations and how they perform in the course and attempt they do. The key question that comes is: “How intrinsic and extrinsic motivations effect on employees? What are the differences between them?”, “Is it possible for management and the leadership to influence on intrinsic motivation of its subordinates?” and “To which extent management and the leadership may influence on motivation of employees?” The results that are backed up on the experts’ opinion and individual experience are likely to give an answer to the stated questions.

Heathfield (2013) stated that motivation is considered as “an intrinsic passion of employee” that enforces them to complete tasks associated to job. It also considered as internal strength that encourages personnel to make a decision and proceed with actions.

Hull (2013) prepared an article where according to the experiences of the line managers it was recommended to deploy subsequent incentives to maintain human resources motivated and productive, such as:

- Additional benefit, any workers will accept extra reward positively as recognition;
- Bonus as entertainment activities involving working staffs jointly to participate in office celebrations, informal or casual days, shorten working hours, field visits;
- Services or facilities by providing more desirable conditions for employees, special physical training hall, cafeteria, medical care centers have high importance in socializing and improving life satisfaction;
- Trainings, some employers do send their workers to take extra educational courses and cover the expenses. So that employees will enhance their skills and become more experts in the area;
- Affirmative acknowledgment, it is suggested to provide recognitions to motivate human resources as it commonly practiced by major organizations.

According to Elegido (2012) proposal workers will stay loyal to their organization if they have attained all desired satisfaction and conditions that are required to work efficiently. The author came out with an interesting position in case if administration or manager created good job conditions by establishing friendly atmosphere and giving social care packages it will improve their reorganization and stay in line with Corporate Social Responsibility (CSR). Social events and positive challenges along with social events will stimulate workers to work hard. Kim (2013) supported the above mentioned statements that CSR influences confidently on motivation of staff members. Normally, before accepting job position people tend to consider the image and influence of the organization on the environment and public. It is important for the company to take responsibility in their performance and consider such attributes. Especially, it will significantly improve the working climate if everyone will feel themselves a part of the project. People maintain contacts and the response from outside to the office performance also motivates them to perform effectively and increases productivity. Wang (2013) confirmed the importance of establishing favorable job environment. As an example, she gave as a case of managers of giant companies operating for more than 6 years. It showed that that management should be aware on the satisfaction level of their subordinates to stay motivated on their daily work and it would increase respectfully productivity of the company.

Money is “an extrinsic motivator”, it is a significant stimulus for workers. According to Latham (2007) money stimulates human resources to perform and deliver higher productivity. However, Marsden and French (1998) argued that money declines longer-term intrinsic motivation that consequently will guide to dissatisfaction performance afterward. Despite fact that money is a still immense motivator, a number of well paid workers are still leaving their workplaces, yes, it is a big question - why? Herzberg proclaimed that these situations occur as a fact of poor management, shortage of career growth. Sometimes we hear that a respectful manager leaves the company and everyone gets surprised. Afterwards, it is understandable that there was no desirable trust provided or high tension of work load, in spite of high salary rate. High salary is considered as hygiene factor, when the wage prevailed upon the disrespect and conditions. Based on Sager’s research employees value recognitions, results, job satisfaction – enjoy what they do, career promotion as motivation. On the other hand, working staff can be feeling uncomfortable with corporate policies, bad management, and pitiable interpersonal relationships in the company. Latham (2007) agreed that money does not always increase productivity of staff, even as it is not easy to state that it neither do not affect as a motivator.

Types of compensation

Many Uzbek organizations, like: Korzinka.uz, UzAvtoSanoat, local commercial banks, apply diverse customs to motivate their human resources when remuneration is given to “the employee of the month”, special stands with photo are located next to the entrance. By doing such competitions frequently can also positively affect employees attitude. In order to keep the staff members motivated certain gifts along with certificates should be given to the awarders.

	Motivation	Commitment
Objective:	Commence activity	Education and learning by gaining extra knowledge
Duty:	Supervision	Person, group in a team
Action:	intended	unspecified, current, permanent
Assumption:	individual natural foundation	People look for sense, self recognition
Control:	Top-down compensation	Employees self-determination
View of worker:	member of staff	associate
Philosophy:	linear, atomistic	systemic, complex, holistic

Therefore, it is responsibility of managers to understand the difference between motivation and engagement, these are required for definite procedure and structure motivated or engaged employees depending on the final outcome projected. Motivated people are excited with energy to make certain things with focused on production action. Nevertheless, engagement is an emotional commitment, considered the actions that motivate us to be involved or not (Clarke, R, 2006). The table above shows the implication in which case the managers should apply under motivation and engagement of their subordinates.

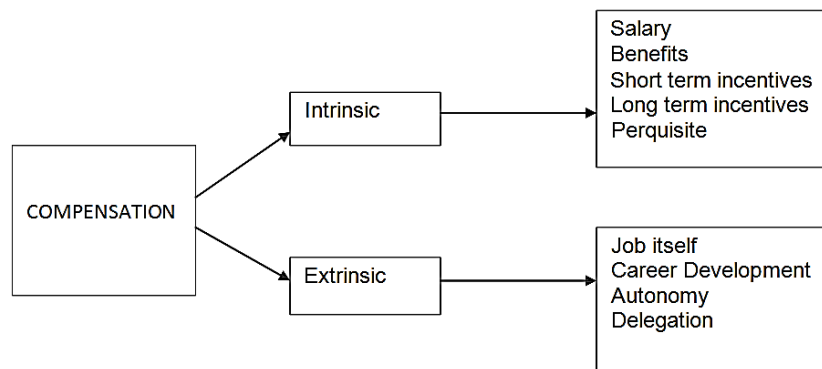


Figure 2. Types of compensation

Intrinsic compensation realizes employees' essential factors of motivators and helps to keep them motivated. It does not require having an increase in salary and employee can work at upper management position without a raise in the wage rate and keep on more motivated.

Extrinsic compensation realizes staff member hygiene factors mentioned earlier in the Herzberg's theory, does not allow worker to initiate idea about leaving the organization. By receiving a disburse increase, bonuses, paid leaves or annual leisure plans (Nohria et al. 2008).

Reward-giving policy is performed by management team to maintain and motivate best active workers. As well to regular salary, employer can tap extra smart remuneration. For example, special meal offers on the discounts bases at canteen, health insurance and child care social contributions. On the other hand, management might link reward in the sense of pre-outlined task: motivational factors of working staff will be highlighted by the manager and the expectance will be reach in case of the providing of relevant performance by employees. It is based on Vroom's expectance model, where strong attention and importance are given to results of working staff by the set of criteria. Workers will perform higher to reach the expectancy and realize their duties on time. Following those higher sales (first result) leads to higher additional benefit (second result) by motivating the working staff to push their work forward "under strong valence" (Van Wart 2008).

Recognition is linked with Maslow's 3rd hierarchy of social needs; staff member is positively reacting to keep social support. Based on Van Wart (2008) studies managers could impose acknowledgment at zero expenses and higher affirmative manipulate on workers' motivation. Such as negligible hard work in a form of reorganization in public meeting on staff performance, or by providing a awarding card or appreciation prize will be a good motivation gear.

Feedback: executives are in charge to provide feedbacks and opinion for development by assessing employees' performance. Appropriate and periodic opinion will improve motivation among staff members. According to Lazeby (2008) managers' guidance must portray wrong behavior of workers and possess action-oriented note in form of suggestion for improvement of outcome. Feedback should be filed and assessed with the presence of workers in order to observe if worker makes progress. Verbal feedback cannot be recorded, whilst written reports are more desirable and effective in maintaining staff member to highlight strength and possible opportunities to progress.

Criticism will encourage partial motivation, if it is conveyed in properly. Initially, supervisors shall eliminate all personal related comments by keeping attention to performance. Secondly, managers should allow to self-analyze for worker this

progress and not to keep criticism frequently. Any explanation of the conduct will amplify value of criticism (Van Wart, 2008).

Responsibility/Autonomy. Managers can implement some advance to employees' independence. Mainly participative and democratic tools will lead for better delegation of authority and liability. Carrel (1967) specified that executives would get higher motivation through broadened job autonomy to workers with precise duties; particularly young employees should be greatly motivated to take for granted of responsibility functions.

Participation. Management team might control considerable workers' satisfaction and motivation through involving them to take part in the different aspect of business life or events. In the theory and practically it proves that workers' self-esteem increase according to Maslow's hierarchy of needs. It will also create tight connection and loyalty to the company by maintaining a future pool of motivates young specialists, who later on will take over the superior responsibilities in the company in the long-term.

Equity. It is almost not possible for line managers to meet expectation of every worker in a team frequently. Therefore, some interpretation of management decision can appear unreasonable and result grievance and dissatisfaction of staff members. Manager should be aware and try to prevent such perceived inequity timely and keep high motivation in the team. As a solution it was noted that review of policies will present from any mislead and be consistently focused on work.

Goal-Setting. According to Locke (1968) managers should set temporary and concrete goals in order to create clear motivation vision and source for workers. Hence, this approach is commonly used by managers to target the company's objective. Competences should be determined and past experience of individuals in directing them to complete certain goals or tasks. SMART objective will empower with authority for certain works to complete the duties with *specific, measurable, attainable, realistic and time-bounded frames*. Especially, if intention is away from authority or competency of the worker, it may lead to stress and dissatisfaction (Raymond A. Noe, John R. Hollenbeck, Barry Gehart & Patrick M. Wright, 2011).

Career advancement. According to Herzberg's Two-Factor theory career advancement is a key importance factor of motivation. Van Wart (2008) claimed that supervisors should organized regular meetings with workers in order to discuss their plans and desired skills for keep up performance high. Deficiencies in knowledge or career enhancement plans can be sketched out as programs for development by motivating employees to commit.

Vision and Work importance. Line managers will also activate workers' motivation by sharing corporate vision. Workers would realize the company's current status and performance, knowing what kind of efforts needs to be provided to

implement its objectives. In fact, feeling for company and being part of the organization will prioritize their interest to commit (Vandenabeele, 2007).

Balance between work and life. According to Van Wart (2008) suggested executives to aware and acknowledged about the outside and personal concerns of their subordinates through cordial relations. It will in line managers to know the problems and issues of their workers affecting their stimulus to perform hard. It is important to observe healthy and good lifestyle among the human resources as a grant for productivity.

Is the money the most potent and strongest motivator?

Many people think that money is most powerful motivator for anyone. People believe that they perform high-quality work with the aim of receive a fair salary. If they work hard and long, then the income would raise and it given indeed extra motivation. There is a cyclical concept of Money, Motivation and Work Hard.

Also, money is a key factor in choosing job place and organization; it gives incentives and importance to stimulate personal satisfaction and desire. It is an intrinsic compensation that boosts the job productivity and efficiency.

“Time is more valuable than money. You can get more money, but you cannot get more time.”

Jim Rohn - American motivational speaker and entrepreneur.

Time. In era of high technologies, people and managers are conscious how they spent their time. People filled satisfied when they receive wage on the time they spent for work and being rewarded.

“Money never made a man happy yet, nor will it. The more a man has, the more he wants. Instead of filling a vacuum, it makes one.”

Benjamin Franklin

Happiness as also considered as motivation feeling, some of us possibly will argue. All of us want to be stay content in our lives and regularly, it means that there is a choice of doing rather they care for and receive a portion of money on it. It is high responsibility of managers to keep employee happy and create joyful environment.

“Money will buy you a fine dog, but only love can make it wag its tail”

Richard Friedman, scholar and professor

Recognition and promotion. Having a well-paid salary is vast, but workers desire more than just money to satisfy their lives and stimulate to produce additional. Employee should feel a part of the entire organization and treated in any form by the leading specialists. Company should provide adequate chance to fit into the corporate environment and feel them secure and respected. Therefore, a fair compensation is required to have a strong motivation along with money, which will tend to give more commitment by the employees to work with pride and satisfaction.

Conclusion

In conclusion, I can state that based on the abovementioned and literature review motivation can be created and maintained by leading managers. Of course, job climate, commonly reviewed by the line managers should have a proper equal condition for every worker. Any organization of remuneration and compensation will produce more efficiency to attain bonuses or participate in the field trips. It needs to be noted that CSR has a high significance in the reputation and image of the company from outside and inside dedication among working staff. As Herzberg has noted in two-factor theory of motivation managers can alter only hygiene factor. A supervisor can influence staff members to feel belongings to the organization and keep responsible for their tasks. Individual appraisal and conduction of periodic feedback talks are very helpful for further growth of the company.

The approaches will facilitate to replicate personal experience without dealings of biased opinion on job place. It is important for senior executive to explode the tools and approaches mentioned in the compensation part of the report.

Today, motivation of workers is considered much more than just a monetary remuneration. Based on the review and statements in the previous parts of the report, extrinsic motivation these days is quire desirable to satisfy “hygiene factors” and keeps employees to work better and efficiently.

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