

Business Studies - Motivation

Motivation is:
how workers are
encouraged to work
hard

If employees are motivated then workers will be efficient in what they do, there will be a low turnover of workers, it will be easier to recruit new workers, less need for supervision and low absenteeism

The benefits of a motivated workforce include:

Lower levels of absenteeism – there is an assumption that motivated employees are more unlikely to take time off work for minor illnesses and other minor reasons.

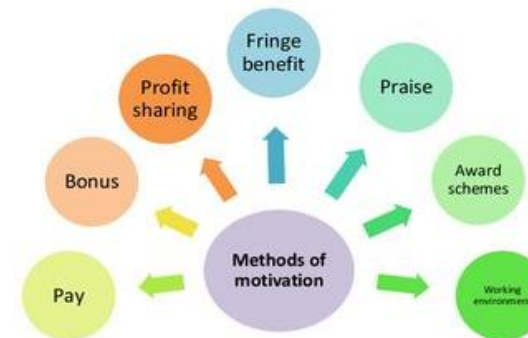
Businesses who have high levels of employee absenteeism will often also suffer from a demotivated workforce.

Retention of workers (low levels of labour turnover) – employees who are motivated are unlikely to look for another job with a different business. They will be happy in their work and likely to be loyal to their present employer.

Improved worker performance – a motivated workforce is likely to work harder and make the effort needed to achieve the aims of the business.

Improved quality and customer service – the outcomes of a motivated workforce will be higher than a demotivated workforce.

Improved relations between management and workers a motivated work force is more likely to understand the aims of the business and they will be keen to help the management achieve these aims.



Retention

When workers choose to stay in a firm rather than move elsewhere

Productivity

A measure of output per working

Financial motivation methods

Methods that involve paying workers money

Non-financial motivation methods

Methods that do not involve paying money

Bonuses are additional financial payments above the normal wage or salary. The bonus may be paid to a worker who has met their work targets or who has performed well in their job. They are paid as a reward for good performance.

Commission is used mainly in jobs involved in selling products and services. The employee will receive payment based on the amount of sales they make.

Fringe benefits are additional financial benefits given to an employee on top of their wage or salary. There are many different examples of fringe benefits and the type of fringe benefit received will depend on the type of job and the position within the business. Typical examples include:

- Company car
- Health insurance
- Discounts when buying from the business
- Pension schemes
- Paid holidays
- Sick pay.