

Academic and Employability Skills (BMSW4001 BIRM)

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What is the most effective way to motivate staff?

1.Introduction

Most motivation theorists believe that motivation plays a role in the execution of all taught responses; that is, a learnt behaviour will not occur unless it is energised. The most common debate among psychologists is whether motivation has a main or secondary effect on behaviour. Employees are responsible for completing work units. Some leaders regard their employees as human capital and routinely accommodate their employees' needs and desires to retain and profit them. Leaders who develop a positive work environment for their employees may notice an increase in employee motivation.

2.What is Employee Motivation?

Motivation is defined as the desires or needs within people that 'motivate' or propel them to work the hardest to achieve their goals. Examining employee motivation explicitly, it is defined as the amount of energy or interest shown by a worker to achieve the organization's objectives and to excel in their future career. Several studies have been conducted to better understand employee motivation and the factors that influence it. Numerous organisations thrive by developing various methodologies and strategies to motivate their employees. Frequently, these administrative techniques designed to improve employee motivation result in a significant positive change in the organisation (Korlen et al., 2017). CEOs and senior executives frequently evaluate new strategies by observing employee behaviour and performance and determining whether or not the strategy is effective.

3.Importance of Employee Motivation

According to Gkorezis and Kastritsi (2017)'s study, there are numerous benefits to keeping your employees motivated, making employee motivation an essential component to running your business smoothly and ensuring organisational success. Employee motivation is widely acknowledged to be directly related to employee productivity (Korlen et al., 2017). Employees who really are optimistic about their jobs are more likely to work hard and complete all their tasks. Motivation of employees has an impact.

A motivated employee will work hard to ensure that the organization's objectives are achievable, even though a demotivated person would underperform, resulting in a drop in productivity and profitability (Gkorezis & Kastritsi, 2017).

Organizations that care about their employees' motivation are more likely to succeed and expand because they have the power of highly motivated individuals who will work tirelessly to achieve their organization's objectives. Employee motivation also increases creativity and develops innovative ideas, both of which are useful to the company (Gkorezis & Kastratis, 2017).

Employees are an organization's most precious asset; therefore, it is critical to ensure that their needs are met in order to ensure that this asset is retained/cared for. Employee motivation is also important for employee retention because when an employee sees that the company works hard to keep employees motivated, it makes him or her feel appreciated, giving him or her every reason to stay with the company for the long haul (Korlen et al., 2017).

Employees play a critical role in achieving an organization's goals, consequently human resources are viewed as a strategic asset in any organisation. As a result, it is critical to discover the variables that lead people to achieve their objectives. The quantitative research method was carried out using a deductive technique in order to achieve the research

objectives. The key data collection method was a self-designed questionnaire. Descriptive and inferential statistics were used to analyse the information. Indirect compensation, performance bonus, and employee performance all have a favourable association, according to the statistics. Because the current study focused on one public sector institution in Sri Lanka, the results are limited in their applicability to a larger population.

Pay, promotion, interpersonal rewards, bonuses, and benefits are examples of extrinsic rewards, which are frequently financial or tangible (Zaman, 2011). Intrinsic incentives, as described by Stoner and Freeman (1992), are psychological rewards that are directly experienced by employees. The purpose of this study is to determine the relationship between extrinsic rewards, intrinsic rewards, and employee performance in a Sri Lankan government - owned company. Employee performance can be influenced by a reward package, according to Ajila and Abiola (2004). Based on their findings, they came to the conclusion that a reward system can help improve employee performance by improving employee skills, knowledge, and talents in order to meet organisational goals. Reward methods, according to Allen and Kilmann (2001), are critical for enhancing employee performance and achieving organisational goals. As previously stated, many studies have found that employee awards are linked to employee performance. According to the research (Eisenberger, 2011; Heng, 2012), if a business fails to reward employees, it will have a direct impact on employee performance. An effective incentive system can encourage personnel, whereas an ineffective incentive system might demotivate them in terms of production.

As a result, the study's goals are as follows:

1. Identifying the link between rewards and employee performance.
2. To analyse the effectiveness of the current reward system.
3. To ensure appropriate recommendations to improve the current reward system's effectiveness.

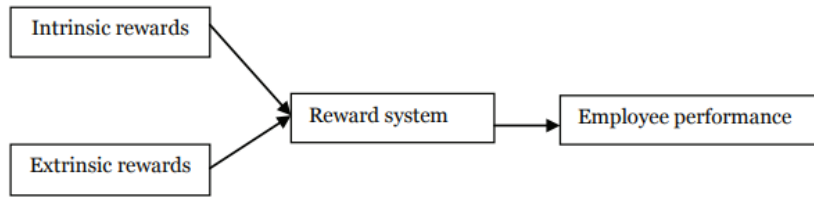


Figure 1: Conceptual framework

Table 1: Operationalization of variables

Concept	Variable	Indicator
Extrinsic rewards	1. Pay	Salary scale based on the job categorization
	2. Bonus	Rupees (amount an employee receives for their contribution)
	3. Benefits	Rupees (amount an employee receives for their contribution)
	4. Promotions	Number of promotion for a year
Intrinsic rewards	1. Recognition	Employee attitudes regarding Fairness in appraising performance
	2. Career advancement	Possibility of Career advancement opportunities (High or low)
	3. Responsibility	Given responsibility are matched with the employee capabilities
	4. Learning opportunity	Availability and support from organization to learn (High or low)
Employee performance	1. Employee Productivity	Whether the employee productivity is increased or decreased with the changes of the employee rewards.
	2. Job accomplishment	Achievement of assigned targets within the given time duration

Source: Developed by researchers based on Dharmasiri and Wickramasinghe (2006) and Pretheepkanth (2011)

4.Extrinsic rewards

Employees receive monetary benefits from the company as extrinsic rewards. It's called extrinsic because it's separate from the activity itself, and management makes decisions about its size and worth. It was a major player in the early years. Base pay, bonuses, commissions, and other financial advantages are all included (Mathis & Jackson, 2008). Because of factors like cost of living, most employees look for greater salary, which includes a strong compensation and benefits plan during their job. Good remuneration packages are also important for keeping employees. The retention programme would be successful if the company committed to increasing their compensation plan and becoming market leader, or at the very least on level with competitors' salary offerings (Conley 2017). Every employee ensures that the remuneration system they get in their organisation is fair and commensurate to their talents, experience, and knowledge (Long et al., 2005). Employees will be more likely to stay with a company if they are paid fairly and equally ((Johari et al., 2012; Aguenza, & Som, 2018). Extrinsic bonuses will encourage employee involvement in the company, increase productivity and quality of products and services, avoid mistakes in the workplace, lower accident rates, and preserve morale commitment to the organisation (Wickramasinghe & Sajeevani, 2018).

4.1 Variable pay

Compensation package, also known as 'pay at risk,' refers to the portion of a remuneration package that must be earned on each occasion, typically by meeting or exceeding performance targets. "Any type of direct pay that is not incorporated into base pay and changes according to performance," according to Schuster and Zingheim (1992). ("Contextual Determinants of Variable Pay Plan Design: A ...") Individual and team bonuses, cash bonuses, shares or share options based on organisational performance, profit-sharing, and gain-sharing are all examples of variable pay.

4.2Employee benefit

Pensions, sick pay, insurance coverage, corporate cars, and a variety of other 'perks' are remuneration aspects in addition to various forms of monetary pay, and also include provisions for employees that are not strictly remuneration, such as annual holidays.

'Flexible' benefit schemes allow employees to choose the components of their benefits package within certain parameters, and additional voluntary benefits have also gained popularity in recent years.

5. Intrinsic rewards

Intrinsic rewards are more difficult to describe than extrinsic rewards since they come from within the workplace and are dependent on the worker's perception. It is intangible, varies per worker, is uncontrollable by management, and is also focused on worker job happiness. Physical and non-physical intrinsic rewards are the two types of intrinsic rewards, and they both complement each other (Aritonang, Jepri, Sadalia, & Wibowo, 2018). Physical elements in the workplace, such as the arrangement of the work area, the degree of noise, and ergonomic concerns, are included in the physical intrinsic reward (Rahim, Wahab, & Munir, 2017). With providing modern technology and equipment to assist people in performing their responsibilities, managers may create a productive working environment (Ling, 2012). Workplace atmosphere, a sense of significance in the company, and social interaction inside the organisation are examples of non-physical intrinsic rewards (Ajmal, Bashir, Abrar, Khan, & Saqib, 2015). The key aspect that increases retention among workers where their employers support and encourage them to perform successfully and efficiently is a favourable environment such as having helpful teammates and cooperative peers (Christmas, 2008). Good and entertaining work environments are becoming increasingly important for employees to stay with the company (Putra, & Prasetya, 2018). Previous research has found that an uncomfortable working environment causes significant employee turnover because management fails to give comfort in the workplace (Ellingson, Tews, & Dachner, 2016; Lu, Lu, Gursay, & Neale, 2016; McGinnis & Ng, 2016). Creating a nice and welcoming work atmosphere not only attracts new employees, but also helps to keep existing ones who are experienced, knowledgeable, and creative (Aritonang et al., 2018; Rahim et al., 2017).

Even more than money and benefits, good and cooperative work environments enhanced employee job satisfaction and loyalty (Moncarz, Zhao & Kay, 2009).

6.Communication

To be persuasive, you should learn how to communicate effectively. Standing on a stage and being a great speaker is useless if your message does not connect with people and persuade them to adopt new beliefs and behaviours.

You can only communicate with power when you communicate with people in a way that demonstrates you understand their problems and challenges; when you provide clarity and connection to a cause; when you can urge others to have a dialogue; and when you grasp what it takes to change behaviour.

While leaders communicate effectively and encourage their teams to communicate effectively, teams can innovate quickly, sharing information, successes, and failures, and learning to cooperate rather than compete. Employees place a great importance on excellent communication.

Effective communication has a significant impact on whether or not people feel respected and motivated, which makes them more likely to exert discretionary effort. Even after this, most employees report that their managers are not visible and do not communicate with them frequently enough.

7.Know your staff

Non-financial gifts show your staff that you value their hard work and time by recognising their accomplishments. Consider the following ideas when giving nonmonetary awards to your employees:

- Deliver the reward in a timely manner.
- Consider each employee's/unique personality's circumstances.
- Ensure that the reward is well-deserved.

8.Aims of reward management

- Supporting in the accomplishment of organizational goals by developing a performance culture and encouraging high performance.
- Looking to attract high-quality employees.
- Employees must be motivated and engaged.

- Provide a return on investment in rewards for both the employer and the employees
- Correspond your reward practises with the needs of your employees.

9.Public Recognition

The public nature of recognition efforts is an essential element of most recognition tools, similar to the strategies mentioned above. In-person comments, verbal appreciation in front of the team, articles in the department newsletter, and postings on a department or institutional bulletin board are just a few examples. All methods can be used to effectively communicate achievements and identified behaviours or attitudes of exceptional employees. Staff at all levels and services, including technicians and pharmacists, should be recognised publicly. This tool can also be used to highlight the actions of other health care professionals who assist the pharmacy department in providing patient care.

Conclusion

Low workplace motivation causes a variety of issues, including high absenteeism, decreased productivity, lower profit margins, and so on. Employees believe that recognition at work, bonuses, and advancement can raise motivation. Besides that, the research assisted in uncovering the fact that employees required not only improvements in reward systems, but also recognition for their contribution to work that the firm placed less emphasis on. Employee recognition can be provided through basic rewards such as employee of the month, employee of the week, or employee of the year. Workers are compensated both financially and non-financially for their efforts.

"If the employees enjoy working for company, they will definitely look after company bussiness." This should be one of the guiding concepts for any manager's motivational approach.

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