GCSE Business
Human Resources

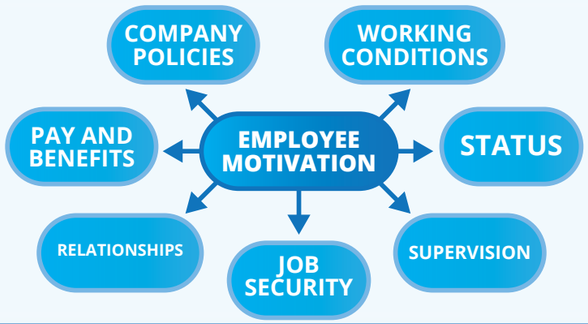
Motivation

Motivation

Definition: The range of factors that influence people to behave in certain ways.

Absenteeism

Definition: Occurs when an employee is not present at his or her place of work.



Benefits to Businesses of Having a Well Motivated Workforce

- **Increase productivity** / workers produce more per hour worked / improve performance of workers ➔ could lead to greater profits
- **Less staff turnover** / less workers leaving the business ➔ workers will be happy in their work and will stay loyal ➔ reduce recruitment / training costs
- **Lower absenteeism ➔** workers are happy ➔ improves productivity
- **Loyal / committed workers ➔** experienced and likely to be more efficient
- **Improved employer / employee relations ➔** industrial action less likely
- **Improved quality of products**
- **Good customer service**
- **Improved business reputation ➔** easier to recruit the best workers

Financial Rewards

Definition: The use of money as a method of motivation.

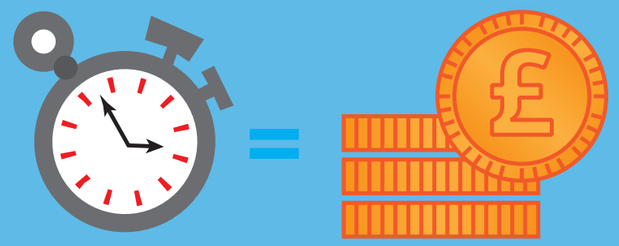
Examples:
- Salaries / Wages
- Time Rate
- Piece Rate
- Overtime
- Profit Sharing
- Fringe Benefits

Salaries

Definition: Generally paid to administrative and management workers. The salary is based on their work for the year.

Wages

Definition: Generally paid to shop and factory floor workers based on time rates and / or piece rates.



Time Rates

Definition: Paid to workers based on the number of hours worked.

Piece Rates

Definition: Paid to workers based on the number of goods which are produced.

Overtime

Definition: A higher hourly rate that is paid to employees for any additional hours worked.

Performance Related Pay

Definition: An additional payment to an employee for achieving an agreed target.

Bonus

Definition: An additional payment to an employee for achieving an agreed target.

Commission

Definition: A payment to an employee based on achieving a certain level of sales.

Profit Sharing

Definition: An additional reward paid to workers to reflect the profits earned by the business.

Fringe Benefits

Definition: Rewards to workers not shown in their traditional pay. Such benefits may include company cars, or discount on company products.

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Non-Financial Rewards

Definition: The use of non-monetary means to try and raise employee performance.

Examples:
- Job Enlargement
- Job Rotation
- Job Enrichment
- Empowerment
- Training

Job Enlargement

Definition: Redesigning a worker's job so that it contains more tasks of a similar level of complexity.

This means that the employee's work can become more varied and can help to reduce the monotony associated with an employee's job.

Job Enrichment

Definition: Designing a job to give interesting and challenging tasks.

Some employees may lack motivation because they are bored. Job enrichment can help to correct this by making the jobs more demanding and challenging. It can give employees more diverse duties as well as more authority to take decisions at work.

Empowerment

Definition: Gives employees greater control over their working lives.

This might mean that employees can organise their own work and make some decisions without involving their managers.

Job Rotation

Definition: The regular switching of staff between jobs of a similar degree of complexity. This stops the employee getting bored!

Training

Definition: A range of activities giving employees job-related skills and knowledge.

Ways to Raise Worker Performance

- **Higher Pay**
  - ☑ to encourage workers to work harder ➔ may be short-term benefit
  - ☒ but this will increase the business cost
- **Bonus / Commission**
  - ☑ will relate pay to amount / quality of work
  - ☒ but may be expected by workers, targets to be set ➔ demotivation if not achieved
- **Longer Holidays**
  - ☑ to provide rest / enthusiasm for work
  - ☒ will cost ➔ will mean work not being done ➔ dissatisfied customers
- **Promotion / job title**
  - ☑ gives feeling of importance ➔ reward for work
  - ☒ but only limited availability ➔ envy in the workplace ➔ internal promotions may not be good for dynamic business
- **Health care / insurance**
  - ☑ encourages workers to stay
  - ☒ but cost
- **Working environment**
  - ☑ increased efficiency
  - ☒ cost of production
- **Training / better qualifications**
  - ☑ worker feels better about self ➔ encouraged to work harder
  - ☒ but cost of training ➔ better qualified workers may find jobs elsewhere ➔ increased worker turnover
- **Pension Schemes**
  - ☑ ensure long-term security of worker ➔ more likely to remain
  - ☒ but employee contributions add to costs ➔ able to transfer pension to other employment
- **Ethical Policies**
  - ☑ will involve the way the worker is treated ➔ e.g. good communication / conditions ➔ may not be costly
  - ☒ but employer may be seen as not sufficiently autocratic
- **Rewards for best workers**
  - ☑ e.g. employee of the week ➔ motivate employee to work harder to get the award
  - ☒ but may demotivate others