

Motivation and Worker Productivity: A Comparative Analysis

Kristina LAZARIDI *

Abstract

An effective motivation system is a powerful factor in any organizational management and in achieving a company's objective by employing effective human resource methods. It is also necessary to understand the nature of motivations and what drives employees to perform their task effectively. Motives can be categorized into various types: some employees are only driven to work for money; others aspire for recognition, glory, power, and etcetera. Regardless, the management of the organization should understand motivation factors, including intrinsic, and understand employees' differences when designing and implementing effective incentive-motivational practice. Effective motivation is essential to achieving high productivity, higher revenues, and greater competitiveness which is necessary to be successful in the business model.

Keywords: lifetime employment, motivation, productivity, reinforcement theory, theory X

JEL: M12

1. Introduction

Effective motivation methods are essential for employers who seek both innovative and tested ways to increase the productivity of their employees. Motivation methods must bring results in terms of overall efficiency, conform to a company's philosophy and buttress a successful business model.

It is obvious that a manager's task is to achieve his/her goals using one of the most important resources available - labour. A manager should be aware of what is motivating an employee in order to achieve their own defined goals, which may differ from those of the employee. It is essential in every area of business that a manager knows what is driving an employee in order to develop a management style which will motivate employees and make them perform more productively.

This article consists of an abstract, introduction, body and conclusion. The first chapter explains what motivation is and provides its definition; it further explains different types of motivation, such as Maslow's Hierarchy of Needs, Herzberg's Motivation-Hygiene Theory, Theory X, Theory Y, Theory Z, and Reinforcement Theory.

The second chapter explains the nature of the modern theories of motivation such as Equity Theory, Expectancy Theory and Goal-Setting Theory. The third chapter describes motivation and management methods in Japan and the three pillars of Japanese management. The fourth chapter explains motivation methods practiced in the United States. Finally, in the last chapter the author develops a useful check list as an instrument in determining management styles and consequently, the most appropriate selection and mix of motivational methods and styles.

2. Motivation and Historical Perspectives

Motivation is a driver for actions. The free encyclopedia Wikipedia provides the following definition of motivation: "Motivation is a psychological feature which arouses an organism to act towards a desired goal and elicits, controls, and sustains certain goal directed behaviors. It can be considered a driving force; a psychological drive that compels or reinforces an action toward a desired goal" (Motivation, n.d.). Pride,

Hughes, & Kapoor (2008) define motivation "as the individual internal process that energizes, directs and sustains behavior. It is the internal "force" which causes [you or me] to act in a particular way" (p.342), and hence motivation is a set of psychological features which determine employees' behaviors and activities. Employees' motivation rises from human needs; this can be concluded from Maslow's Hierarchy of Needs Theory. Motivation is a complex process, and this can make it difficult to determine the range of factors and intensities which motivate individual employees. However, managers should be fully aware of the basic motivational instruments which drive employees to work harder and with a greater degree of efficiency.

Theories of motivation began developing at the end of the XIX century. However, motivation techniques have been used from ancient times with varying degrees of success.

One of the best-known methods of motivation is called the carrot and stick approach. The main idea of this is that for good job performance an employee receives a carrot (salary increase, bonus), but for a poor performance they receive a stick (salary decrease, punishment) (Carrot-and-stick, n.d.).

Another theory of motivation, namely scientific management, was developed by Frederick W. Taylor, an American mechanical engineer. He emphasizes that employees' main motivating factor is money. He introduced the piece-rate system, a revolutionary method for that time, in which the management assigns an output quota and if the employee exceeds that quota, he or she is paid the difference. The piece-rate system is still widely used today (Pride et al., 2008) and workers are encouraged to produce more units.

Maslow's Hierarchy of Needs

Abraham Maslow, an American psychologist, is one of the founders of motivation theory. He offered a Hierarchy of Needs model, according to which individuals have different needs which can be grouped hierarchically (see *Figure 1*).

Maslow emphasized that the first level, the satisfaction of psychological needs, must first be addressed and then the rest in strict sequence. As needs of one level are satisfied the next level of needs can come into play.

Maslow's theory was an important contribution to motiva-

* MA, Research Assistant, Faculty of Business Management, International Black Sea University, Tbilisi, Georgia.
 Email: klazaridi@ibsu.edu.ge

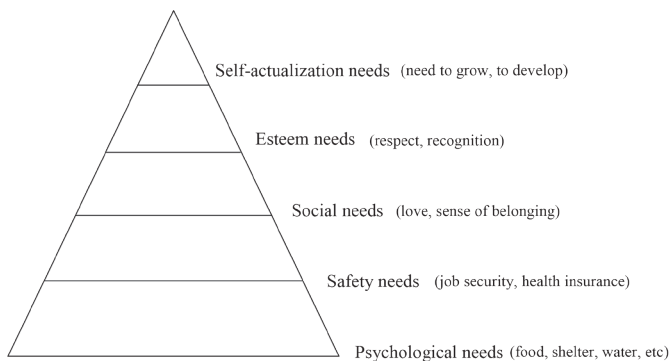


Figure 1: Maslow's Hierarchy of Needs

Source: Pride et al., 2008.

tion theory and practice and helped managers understand the wide range of needs by which employees are motivated.

Herzberg's Motivation-Hygiene Theory

Frederick Herzberg, an American psychologist, developed the Motivation-Hygiene theory in the late 1950s based on human needs. Herzberg's theory recognizes that alongside factors which bring satisfaction to employees there are others which bring dissatisfaction. Herzberg conducted interviews, and based on the results of these concluded that these factors fall into two categories: motivation factors and hygiene factors. Motivation factors are the following: achievement, recognition, responsibility, advancement, growth, the work itself. These factors are called motivation factors because they increase employees' motivation but, their absence does not lead to dissatisfaction. Hygiene factors are the following: supervision, pay, job security, working conditions, interpersonal relationships, company policies and administrative policies. The absence of hygiene factors leads to dissatisfaction with work, but their presence does not necessarily lead to satisfaction. Hygiene factors in isolation are not enough to motivate employees.

On the basis of Herzberg's theory we can conclude that if employees are dissatisfied the manager should refer to hygiene factors, find the reason for the dissatisfaction amongst them, and then eliminate it. As soon as employee is not satisfied, an effective manager should apply motivational factors to increase employees' satisfaction levels and in effect bring about an increase in an organisation's efficiency and success.

Theory X Theory Y and Theory Z

The basis of Theory X was initially developed by F. Taylor, while Douglas McGregor developed Theory X as we know it today. The central concept of Theory X is that all employees are basically lazy; they dislike work, and are always trying to avoid it. Thus, management should control their work. Another theory developed by McGregor is Theory Y, which is the opposite of Theory X, its main assumption being that employees like to work and be responsible. Employees receive satisfaction from work, and satisfaction itself is a great motivational factor.

Later on Theory Z was developed by William Ouchi. This was based on the results of his studies of American (type A firms) and Japanese (type B firms) business practices. Theory Z employs elements of American and Japanese business practices; it "emphasizes long-term employment, collective decision-making, individual responsibility for the outcomes of decisions, slow evaluation and promotion prospects, informal control along with some formalized measures, moderately specialized career paths, and a holistic concern for employees" (Pride et al., 2008, p.349). According to Ouchi's theory, the above-mentioned elements are motivation factors for employ-

ees.

Reinforcement Theory

The main idea of Reinforcement Theory is that "rewarded behavior is likely to be repeated, whereas behavior which is punished is less likely to recur" (Pride et al., 2008, p.350). Thus, managers should motivate employees by rewarding their productivity, efforts and initiative; in other words, give them positive credit for all their actions and behaviors which increase productivity, efficiency and success.

3. Modern Theories of Motivation

Equity Theory

Equity Theory was developed by behavioral psychologist John Stacey Adams in 1963 while he was studying employees' behavior and working environment. This theory is based on the premise that the same rewards should be distributed among employees who performs the same tasks. Employees compare the rewards they are given with those of other employees who do the same work, and if they feel there is an imbalance they are stressed. They then tend to get rid of this stress by decreasing their productivity, insisting that other employees work harder, etcetera. It is therefore desirable for managers to take actions that restore equality, correct the imbalance or others (taking into consideration all circumstances) (Equity theory, n.d.).

Expectancy Theory

Expectancy Theory was developed by Victor Vroom and is "based on the assumption that motivation depends on how much we want something and how likely we think we are get to it" (Pride et al., 2008, p.351). This theory states that people tend to behave in a certain way because they expect some result from their actions (for instance, a bonus). Employees are motivated by their estimation of the probability of their achieving a certain result.

Vroom tried to explain through this theory the reasons why an individual confronted with different opportunities makes a certain choice and how much efforts he or she is prepared to make to achieve the desired result.

Goal-Setting Theory

Goal-Setting is a powerful method of employee motivation and is based on the premise that employees tend "to achieve goals that they and their managers established together" (Pride et al., 2008). Why are employees motivated to achieve these goals? Because they perceive collectively established goals as individual, and thus enthusiastically perform the necessary tasks in order to achieve them.

There are many other theories which can be discussed, such as the Porter and Lawler expectancy model, Alderfers ERG theory of motivation, etcetera. Many academics are working on developing theories which will help managers increase productivity through motivation. But despite the existence of a multitude of theories, there is no one which can be used to increase productivity in all cases. Why? Employees are individuals, thus they differ in many respects from each other, in areas such as their values, views on life, attitudes, mentality and other factors. Thus, managers cannot apply one method of motivation to everybody. Each individual needs an appropriate approach which fits his personality or circumstances. Consequently the task of the manager is to understand the psychology of employees and select the most appropriate motivation techniques which can be applicable to the vast majority of employees.

4. Motivation Methods in Japan

Japan is a country with unique cultural norms, traditions, customs and life foundations. One of the important factors in the economic development of Japan is the manner in which it has implemented effective motivational practices. The Japanese system of management is itself an instrument of motivation. The inherent feature of Japanese workers is diligence; work itself is a motivator for them. Managers use management principles which correspond to Japanese tradition and are largely based on the use of psychological tools. The Japanese value collectivism and collective decision-making, which leads to unity of goals and motives, the feeling that one is a single unit within an organisation; the relationship between employees and administration is built on mutual respect. The Japanese system is based on the philosophy that employees and administration act as one family, thus the atmosphere in a Japanese organisation is warm and friendly; employees are motivated to work harder and be devoted to the organisation.

Another important aspect of the Japanese system is beginning the working day with collective gymnastics and the singing of a hymn, and celebrating the organisation's "birthday". These activities pull employees together, increase solidarity, strengthen the friendly relations among them and reinforce their sense of belonging to one family. Organisations also have a system of privileges for hard-working employees, including promotions, bonuses, rewards, valuable presents, trips to the country for them and their families and many others features unique to Japanese management (Aziatskaya Biblioteka, n.d.).

Japanese management is based on three pillars:

1. Lifetime employment,
2. Seniority based promotion and wage system, and
3. Enterprise unionism.

Lifetime employment is traditional for Japanese culture, though it is practiced mostly in large organisations. Lifetime employment guarantees employees confidence in the future and stability. The seniority based promotion and wage system promises regular increases in salary (which are given on an annual basis in Japan). Seniority is the major consideration for promotion, then skills and education level. Thus, employees are rewarded for "fidelity and devotion to the organisation". It can be concluded from an examination of the Japanese system of management that it creates a positive atmosphere conducive to employee's self-motivation.

5. Motivation Methods in the USA

In this chapter the author examines American methods of motivating employees. Despite some common ground between US and Japanese methods, US motivation methods differ because the American people have another culture, tradition, mentality and set of values. They are independent, individualistic, and ambitious and take initiative. Americans are the complete antithesis of the Japanese. One of the fundamental principles of Americans is "every man for himself", the opposite of the Japanese principle of one family unit. Motivation methods applicable to the Japanese cannot thus be totally adapted to Americans. Financial motivation is not so important for Japanese employees; this does not play a central role, as it does for American employees.

A widely accepted motivation method used in the United States of America is "Pay for Performance" (PFP). PFP is a financial reward for employees "relating to how well one works". The system is beneficial for both parties: an organisation achieves high profits and gains hard-working and motivated employees and employees receive additional payments. PFP is a flexible system of payment which includes the following (Performance-related pay, n.d.):

1. Commission— an employee is paid a certain percentage of the sales income he or she made.
2. Monetary reward for good performance – an employee is paid a reward if he or she performed the assigned duties well and on time.
3. Participation in profit division programs – an employee receives a share of the profits if he or she contributes a lot to the successful financial performance of an organisation.
4. Individual rewards – rewards paid to employees for recognition of their indispensability and value for the organization.
5. Stocks and Options – an organisation either gives an employee company stocks or gives them an opportunity to buy some (Snezhina, Kondratiev, Melikhov, n.d.).

Other PFP motivation methods are also employed in the US, such as:

- Giving valuable presents to employees,
- Giving bonuses for holidays (25-50% of the employee's salary),
- Provision of transportation plus gasoline for personal usage,
- Full or partial compensation of housing costs,
- Flexible work schedules,
- Retirement pensions and golden handshakes,
- Special rewards for managers regardless of their contribution,
- Additional payments for professional development and experience,
- Employee participation in management,
- Granting a one year sabbatical for knowledge updating and professional development to those employees who have worked in an organisation for more than 20 years,
- Giving employees an opportunity to choose annual benefits from a list determined by the management in accordance with individual needs (Snezhina et al., n.d.; Info Management, n.d.; Yachnevsky, n.d.).

Thus, there are different types of employee motivation used in the US. It is obvious that the financial reward system is the most widely used and preferred in American society and the above listed methods of employee motivation are in compliance with the nature and character of Americans.

6. Development of an Instrument for Determining Motivational Style

The American and Japanese experiences of employee motivation serve as valuable lessons for us. Georgian organisations should choose the model of employee motivation most suitable for them: during the process of formulating a motivational style Georgian organisations should analyze both these Western and Eastern methods of motivation and determine which are the most effective to adapt in accordance with the Georgian mentality. It may also be necessary to consider Georgia's experience of the Soviet Union, as it is natural that Georgia would

have absorbed some features of the motivation methods practiced in the Soviet period. What were these? They combined financial reward, compulsion (during the authoritarian years of communism) and moral reward.

Generally, the Soviet model of employee motivation guaranteed security, safety and stability. Employees were sure about their future employment, as lifetime employment was practiced. People were employed by one organisation for a long period of time; if a worker remained for many years in the same organisation he or she would receive a higher pension when they retired. The government guaranteed employees' vacations and pension payments, temporary disability payment, and significant social privileges. Governmental training programs took place in the Soviet period and employees received payment for taking part in them. Active employees were rewarded by moral encouragement, certificates of honour and signs of distinction, medals and awards. Photos of record-setters in work productivity were put on an honour roll; financial payments were made to those who received certificate of honour or were put on the honour roll. Thus, during the Soviet period safety, security and social needs were paramount.

However, the situation is very different today. Employee's

interests may have changed due to the influence of globalisation and local economics. What was applicable for the country yesterday no longer is today. Thus, the author has developed a check list which can be used as a questionnaire to determine the interests of employees. Later, if research is conducted and this data to analyzed, managers can develop more appropriate methods of management and motivational models suitable for particular employees.

This checklist is based on American and Japanese methods of management and motivation, as these methods are recognized worldwide as being the most successful (A Comparative Analysis of Japanese and American Management, n.d.).

Table 1 below is the actual checklist which can be used by a manager/researcher to determine what employee motivation methods to apply, using management methods as an indicator of motivation style. The checklist consists of fourteen points; each point asks the respondent to choose between two alternatives, the employee marking which they prefer. The manager/researcher will analyze the results obtained and thus decide what methods of employees' motivation are applicable for employees.

Table 1. Check list for determining employee's motivation and management methods

1. Collective decision-making process	Individual decision-making process
2. Collective responsibility	Individual responsibility
3. Flexible, informal management structure	Formal management structure
4. Informal procedures of control	Formal procedures of control
5. Group control forms	Individual control forms
6. Slow assessment and advancement	Fast assessment and advancement
7. Selection of managers based on ability to coordinate and control	Selection of managers based on professional skills and initiative
8. Group-oriented management style	Individual-oriented management style
9. Managers orientation to achievement of harmony in group and group achievements	Manager orientation to individual achievements
10. Informal relations with subordinates	Formal relations with subordinates
11. Career advancement based on seniority and work experience	Career advancement based on individual achievements and results
12. Training of universal type of employees	Training of specialist employees
13. Payment depending on factors like length of service, indicators of work of group etc.	Close connection of payment to individual results and productivity
14. Lifetime employment	Short-term employment

Source: Info Management, n.d.

7. Conclusion

Let us emphasize the importance of management and motivation methods in the final analysis. Effective management and motivation practice increases productivity and the success of any organization is dependent upon how well human resources perform their duties. Thus, it is important to construct effective methods of motivation. This paper has emphasized that motivation in personnel management is understood as a process of motives' – the "activization" and the creation of motivation methods which would induce employees to work more effectively. The goal of motivation is shaping of complex conditions that would motivate an employee to realize the actions that are directed toward achieving collective goals and objectives to the maximum effectiveness in a proactive fashion.

References:

Carrot-and-Stick. (n.d.). Answers. Retrived from <http://www.answers.com/topic/carrot-and-stick>

Equity Theory. (n.d.). In The Free Encyclopedia Wikipedia. Retrieved from http://en.wikipedia.org/wiki/Equity_theory

Info Management. (n.d.). *Сравнительный анализ японского и американского менеджмента* (A Comparative Analysis of Japanese and American Management). Retrieved from <http://infomanagement.ru/referat/178/12>

Motivation. (n.d.). In The Free Encyclopedia Wikipedia. Retrieved from <http://en.wikipedia.org/wiki/Motivation>

Performance Related Pay. (n.d.). In The Free Encyclopedia Wikipedia. Retrieved from http://en.wikipedia.org/wiki/Performance_related_pay

Pride, W. M., Hughes, R. J., & Kapoor, J. R. (2008). *Introduction to Business* (11th ed.). South-Western. CENGAGE Learning

Азиатская библиотека. (n.d.). *Особенности и Основные Черты Японского Менеджмента* (Features and Main Lines of Japanese Management). Retrieved from <http://asiapacific.narod.ru/countries/japan/managment.htm>

Снежинская, М., Кондратьев, О., & Мелихов, Ю. (n.d.). *Нет мотива – нет работы. Мотивация у нас и у них* (No Motive – No Work. Motivation at Us and at Them). Retrieved from http://www.plam.ru/bislit/net_motiva_net_raboty_motivacija_u_nas_i_u_nih/p15.php

Ячневский, В. (n.d.). *Основы Менеджмента: Учебное пособие* (Fundamentals of Management: Manual). Retrieved from <http://diplomart.ru/library/10016-0179-0911.html>