Develop effective incentives for employees through motivation theory

Binfei Yu*
School of Economics and Management, Beijing Jiaotong University, Beijing
*Corresponding author: 19726075@bjtu.edu.cn

Abstract. Motivation incentive mechanism refers to the sum of the interaction between the incentive subject and the incentive object through incentive factors or incentive means in the organizational system, that is, the sum of the internal relationship structure, operation mode, and development and evolution law of enterprise incentive. Under the modern enterprise system, to give full play to the enthusiasm of employees, it is necessary to adopt an incentive mechanism, so that they can realize their value in the process of creating for the enterprise so that their enthusiasm and creativity will be more full play and develop. Therefore, the establishment of a motivation incentive mechanism will enable enterprises to maintain strong momentum of development. Stimulating internal and external motivation of employees by different management methods, formulating motivation measures according to ERG theory, and setting motivation goals for the team by using goal-setting theory. These methods can successfully motivate team members to complete their tasks to a certain extent.

Keywords: ERG theory; motivation measures; goal-setting theory

1. Introduction

To motivate employees to complete their tasks better, the company will formulate a lot of incentives. Such as a year-end bonus or promotion according to performance. Companies can successfully motivate employees to complete tasks by creating incentives. This article will introduce different management methods to motivate employees' internal and external motivation, formulate incentive measures according to ERG theory, and set incentive goals for the team using goal-setting theory. These methods can be somewhat successful in motivating team members to complete tasks.

2. Stimulate employees' intrinsic motivation

Motivation is defined as a psychological concept, which is a behavioural mechanism that affects people's intentions to a certain extent (McInerney, 2019). In the past, motivation was divided into positive motivation through incentive measures and negative motivation to promote employee action through punishment mechanisms and strict deadline setting. However, motivation can be divided into intrinsic motivation and extrinsic motivation. And incentive measures of using material rewards or exerting external pressure on employees are essentially stimulating employees' external motivation. Deci (2005) distinguished extrinsic motivation from intrinsic motivation in self-determination theory. Internal motivation is composed of people's values, challenges, interests, and so on (Sansone & Harackiewicz, 2000). It is the internal motivation that people want to improve themselves from the heart. Extrinsic motivation is the external incentive to employees by external reward or punishment measures (Comeau et al., 2019).

To better understand the different effects of internal and external motivations on team members, this article studied the X & Y theory proposed by McGregor, which explained the two different management styles of authoritarian (Theory x) and participatory (Theory Y) (Lawter et al., 2015). McGregor argues that in Theory X managers use an authoritarian management style, which assumes that employees are unmotivated and in need of constant urging from managers. At the same time, managers need to offer money or more senior jobs to keep employees focused (Lawter et al., 2015). On the contrary, in Theory Y, managers have a positive view of employees and encourage them to participate in decision-making and solve problems creatively (Sorensen & Minahan, 2011).
After understanding the X & Y theory, this article thinks that the management of Theory X is essentially to promote the external motivation of employees, and employees complete their tasks because of strict supervision and desire for rewards. In Theory Y, the participatory management model can stimulate the internal motivation of team members, make them see their value, so that they have enthusiasm for the work and actively complete the task.

Therefore, it is a better management method for managers to use Theory Y to stimulate employees' intrinsic motivation. Therefore, this management method can be applied to my team. To enable the team to complete the task better, I can let each member of the team have an opportunity to play the role of a leader instead of using a single reward method to motivate members in the past. This can not only exercise the ability but also motivate the interest and extrinsic motivation of team members. When each member hopes to do the task better from the heart, the cohesion of the group will be strengthened and the task will be completed more smoothly.

At the same time, enterprises can rely on the job training to stimulate the intrinsic motivation of employees. Employees with outstanding performance and rapid business improvement in the training will be commended as advanced models, giving full play to the typical role of guidance and demonstration, and stimulating the enthusiasm of young employees to contribute to the enterprise based on their posts. At the same time as training, strengthen cultural guidance, combined with the characteristics of the operation, in the field of operation to form a "standard, responsibility" department culture concept, on this basis, from the ideological guidance of the young staff, the formation of staff self-motivation.

3. Diversity and variability of needs

After understanding that motivating employees' intrinsic motivation can better promote the team to complete the task, this article found that each person's hierarchy of needs seems to be different. Some people are satisfied with basic needs such as food, water, and residence, while others are eager for the sense of achievement brought by successful work. To explain this phenomenon, this article studied Maslow's hierarchy of needs. It describes the human demand model as a pyramid structure, which is divided into five levels from the bottom to the top: "physical, safety, love, esteem, and self-practice" (Maslow, 1943, P370).

Maslow (1943) initially believed that only when the lower level of the hierarchy was satisfied could individuals pursue the higher level of needs. But an experience in our group made me doubt this idea. In a street survey that we did, it was found that what promoted most sanitation workers to work every day was the most basic physiological needs. Most of them needed money to buy food or get residence. However, some street painters who sell their paintings on the street every day are motivated not by money, but by their self-actualization needs. These artists hope that their paintings can be handed down and realize their self-worth. Some of them do not have superior material conditions or meet the first four grades of Maslow's hierarchy of needs, but they have the highest growth needs. This shows that the order of needs is not fixed, but can be flexible according to the external environment or individual differences.

To explain this phenomenon, this article studied the ERG theory proposed by Alderfer (1972). ERG theory divides Maslow's hierarchy of needs into "existence, relevance and growth" (Sosik et al., 2013, P283). Alderfer believes that a person can satisfy a current need regardless of whether a lower-level need is met. But if high-level requirements are not met, people will turn to lower-level requirements. At the same time, ERG theory allows different people's needs in a different order (Alderfer, 1972). Therefore, people's needs are not only diverse but also various. So, the disadvantages of material rewards begin to emerge. Although they stimulate some employees' external motivation, they also indirectly meet some people's survival needs and related needs. Although they stimulate some employees' external motivation, they also indirectly meet some people's existence needs and relatedness needs. However, if employees pursue growth needs, then a
single material reward cannot effectively motivate employees. Therefore, managers need to formulate corresponding motivation measures according to the actual needs of employees (Pulasinghe, 2010).

For example, managers should provide employees with opportunities to show themselves and avoid employees who originally have growth needs from falling into relatedness needs because they have never had the opportunity to do some creative tasks. The reason why companies hope to have more employees with growth needs is that they are creative and productive, and take the initiative to do more meaningful tasks from the perspective of self-improvement (Aldag & Arthur, 1979). A team composed of such employees will not only be more innovative but also more motivated to work actively.

Therefore, as a manager to manage a large team, the manager needs to survey the needs of employees first. After understanding the different needs of employees, corresponding incentive measures should be formulated for employees at different levels of need. This can meet the needs of most employees and build an active team.

4. Set goals to motivate members

As the internal customers of an enterprise, employees are related to the performance and development of the enterprise, so it is imperative to improve employees' work motivation. Based on the analysis of current employees' work motivation, through the use of management by goal-setting theory, set goals, decomposition of goals, and its examination and evaluation incentive, to further promote the internal motivation of employees, improve the level of enterprise management.

The goal itself has an incentive effect. It can turn people's needs into motivation, make people's behaviours move in a certain direction, compare the results of their behaviours with the established goals, and make timely adjustments and corrections (Zafer & Emin, 2017). To set up a suitable goal, this article studied the goal-setting theory proposed by Locke (2012).

The goal-setting theory believes that challenging goals are the source of motivation. When difficult goals are accepted, they will achieve better performance than easy goals. And the difficulty of a goal is the effort level people must make to achieve it (Locke & Latham, 2012). At the same time, the goal-setting theory proposed that short-term goals are more effective than long-term goals (Locke & Latham, 2012). Because the short-term target cycle is short, the members can know the short-term tasks, which can be easier to complete. Therefore, under the premise of sufficient ability of team members and high commitment to goals, moderately difficult short-term goals are conducive to the motivation of the team.

In addition, to continuously motivate team members, in addition to setting appropriate goals, regular feedback is also necessary. It can let the team members know how much progress they have made towards the goal. Knowing that you are constantly approaching your goal is a form of motivation.

At the same time, the development of enterprises and the development of employees complement each other. It is necessary to recognize and attach importance to the development goals set by employees during their work in enterprises, find the combination of enterprise goals and employees' personal goals, motivate employees for a long time and continuously, and realize a win-win situation of common development of enterprises and employees.

Enterprises and employees share common interests. In the long run, enterprises and employees should be a community of developers. Enterprises should understand, respect the ideas and behaviors of employees, and on this basis, be good at analyzing and mastering the goals of employees, and timely find the combination of employee goals and enterprise development. Person's need is various, therefore, the enterprise’s use of resources to meet targets set by the employees should also be diverse, and want to use these resources reasonably, actively create conditions to encourage employees in companies set of jobs on working hard, achieving personal goals, to realize the win-win situation of the enterprise and the staff common development.
In addition, scientific and reasonable performance evaluation goal setting is an important guarantee for the smooth implementation of performance evaluation activities and an important means to effectively guide employees to carry out work around performance goals. If individuals believe in their ability to succeed, they will be motivated to work hard to produce performance. Conversely, if the goal is too difficult or doesn't inspire a specific motivation, they won't make the effort. Individuals make efforts due to internal motivation (such as specific life goals) or external motivation (such as monetary inducement) inspired by goal setting, and the degree of effort represents the recognition degree of individuals to the goal. Therefore, enterprise managers should set targets of appropriate difficulty to effectively stimulate the motivation of employees.

5. Conclusion

In business management, managers can set a simple short-term goal, give feedback when you achieve it, and then set the next goal. Such small goals can effectively turn employees' need for growth into internal motivation and encourage them to prepare carefully. After each goal is achieved, the manager should give feedback to motivate team members to be more motivated to achieve the next goal. In addition, the team should have a consistent goal, which will make the team more cohesive and members will encourage each other to complete the task. At the same time, managers can through the reasonable work arrangements, fair performance evaluation, and objective evaluation of the employee's job performance, on the one hand, promote the improvement and the continuous improvement of employees, on the other hand, the results of performance appraisal and employee compensation, development, to guide employee behaviour conform to the requirements of the company development, realize the purpose of the staff with enterprise common development.

References

[1] Aldag, R.J. & Brief, Arthur P., (1979). Task design and employee motivation, Glenview, Ill.: Scott, Foresman.
[2] Akın, Zafer & Karagözloğlu, Emin, (2017). The Role of Goals and Feedback in Incentivizing Performance. Managerial and decision economics, 38(2), pp.193–211.
[3] Alderfer, C.P., (1972). Existence, relatedness, and growth; human needs in organizational settings, New York: Free Press.
[4] Comeau, Gilles et al., (2019). The Motivation for Learning Music (MLM) questionnaire: Assessing children’s and adolescents’ autonomous motivation for learning a musical instrument. Motivation and emotion, 43(5), pp.705–718.
[5] Gagné, Marylène & Deci, Edward L., (2005). Self-determination theory and work motivation. Journal of organizational behavior, 26(4), pp.331–362.
[6] Leanna Lawter, Richard E. Kopelman, & David J. Pruttas. (2015). McGregor's Theory X/Y and Job Performance: A Multilevel, Multi-source Analysis. Journal of Managerial Issues, 27(1/4), 84-101.
[7] Locke, EA, & Latham, GP (eds) (2012), New Developments in Goal Setting and Task Performance, Taylor & Francis Group, London. Available from: ProQuest Ebook Central. [18 December 2020].
[8] Maslow, A. (1943) A Theory of Human Motivation, Psychological Review, 50, 370-396.
[9] McInerney, D. M. (2019). Motivation. Educational Psychology (Dorchester-on-Thames), 39(4), 427-429.
[10] Pulasinghage, C., 2010. Employee Motivation: What Factors Motivate Employees to Work in Nongovernmental Organizations (NGO) in Sri Lanka: A Study According to Maslow’s Hierarchy of Needs Model. The international journal of interdisciplinary social sciences, 5(4), pp.197–212.
[11] Sosik, John J, Chun, Jae Uk, Blair, Anthony L, & Fitzgerald, Natalie A. (2013). Possible Selves in the Lives of Transformational Faith Community Leaders. Psychology of Religion and Spirituality, 5(4), 283-293.
[12] Sansone, C. & Harackiewicz, Judith M, (2000). Intrinsic and extrinsic motivation the search for optimal motivation and performance, San Diego: Academic Press.
[13] Sorensen, Peter F & Minahan, Matt, 2011. McGregor’s legacy: the evolution and current application of Theory Y management. Journal of management history (2006), 17(2), pp.178–192.