

FINANCIAL AND NON-FINANCIAL ASPECTS OF MOTIVATING EMPLOYEES THROUGH JOB RE-DESIGN

1. Introduction

Every organization needs people to carry out daily tasks aimed at obtaining company's objectives, as well as people need to be led in the best way. Job performance is viewed as a function of three factors: ability, motivation and opportunities, which have major influence on employee performance. Therefore, successful performance (P) is a function of interaction between an individual's motivation (M), ability (A), and opportunities (O) [2]:

$$P = f(A, O, M) \quad (1)$$

Motivation considered as employee's desire to accomplish a task is clearly important if someone is to perform well, however, it is not sufficient. Ability determining knowledge and skills required to perform the job is also essential and sometimes it is the crucial determinant of work effectiveness. Finally, opportunities are factors, such as resources, information and others that support a person needs to carry out a task. Lack of one of these factors makes the task impossible to be performed well.

People may be motivated using various kinds of motivators influencing individuals in different ways – intrinsically and extrinsically. Intrinsic motivation comes from the inside of a person. It comes from pleasure or satisfaction an individual draws from the work itself. Working on a task, solving a problem, finding solutions and taking responsibility is enjoyable for an employee who is intrinsically motivated. Internal factors may be interesting and meaningful work, opportunity to learn and develop skills etc. Sometimes, intrinsic motivation may not have positive effects. Particularly, if employees are intrinsically motivated to work and the company changes its objectives, strategy or culture, intrinsic motivation of employees will not change that quickly [3]. In turn, extrinsic motivation comes from outside rewards. A good example of this is money, e.g. a worker behaves in a specific way because he/she expects some kind of bonus or other type of financial compensation. To conclude, both types of motivation are important. Managers should provide extrinsic rewards that will help their employees to be intrinsically motivated to become top performers [5].

2. Motivational approaches to job design

Many jobs are monotonous and really boring, particularly in production companies. Workers may feel then unmotivated and dissatisfied in their work. They experience repetitive procedures, strong control and lack of challenge. Examples of non-financial motivators which can motivate an individual intrinsically are job content and work environment. New approaches to job design may eliminate some of these problems, that is why they should be a key element in motivation policy and practice. A job design has a principal impact on employee motivation, job satisfaction, commitment to an organization, absenteeism and turnover [2]. The motivational approach to work design is associated with research of Herzberg and of Hackman and Oldham who build on the previous work of Herzberg.

Herzberg's two-factor theory describes human needs in work from the viewpoint of individual's satisfaction and dissatisfaction. He distinguished two sets of factors – hygiene (maintenance) factors and motivators (growth factors). Hygiene factors are a part of the context in which the job is performed, as opposed to the job itself. If they are absent on the job, they cause dissatisfaction and if they are at good level, they don't lead to satisfaction, rather create lack of dissatisfaction with work. In contrast, motivators are factors that are intrinsic and are the major motivating force into achieving above-average performance.

Hackman and Oldham explained how particular job characteristics may impact on job results (Fig. 1). Their theory is known as the Job Characteristics Model and it is based on the idea that the task itself is a key to strong internal motivation of an employee. The proposed model describes five core job dimensions that lead to three critical psychological states experienced by employee. In turn, these three

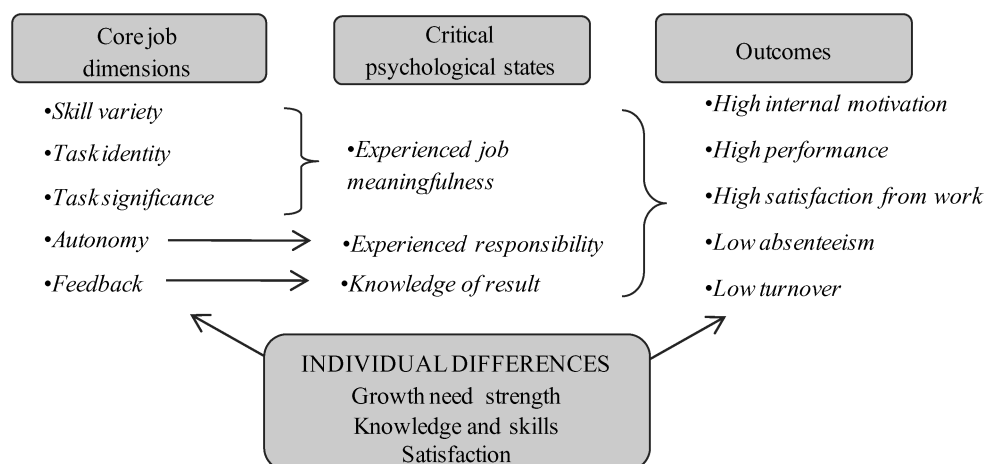


Fig. 1. Job characteristics model (based on [8])

psychological states result in positive work-related outcomes, including high job motivation and satisfaction [9]. The work an employee performs should be completed as an identifiable piece of work from start to finish and it should have significance in itself through variety of tasks requiring a person to use multiple skills. To feel responsibility, a worker needs to have specific sense of autonomy by giving him/her the freedom to decide how to perform his/her tasks. Providing constant feedback from the boss or other people like peers, subordinates or customers, it is needed to know how effective performed work is, as well as what is done right and what is done wrong.

Research shows that out of these three psychological states, experienced meaningfulness of work is the most important for employees' attitudes and behaviours, and it is also the crucial mechanism through which the five core job dimensions run [2]. It is important to notice that these five job characteristics are not equally valuable for employees. It is possible to combine them into a single index reflecting the overall motivating potential score (MPS) of a given job. Authors of this model proposed the following formula to calculate the MPS [6]:

$$MPS = [(skill\ variety + task\ identity + task\ significance)/3] \times autonomy \times feedback \quad (2)$$

According to the above formula, autonomy and feedback are more important elements in motivating potential in comparison to skill variety, task identity or task significance. Moreover, if a job lacks autonomy or feedback, motivating potential score will be lower.

The presented Hackman and Oldham's model considers also personal features, because people differ from one another. Not all employees will respond favorably to a job high in a motivational potential. Positive outcomes of job characteristics are expected to be greater when employees have a high need for personal accomplishment named as growth need strength. The result will be satisfactory when individuals have the required knowledge and skill, and when their satisfaction with the work context is high [7].

One factor that concerns how much of these characteristics people want is growth need strength. It determines the degree to which an employee has higher needs, such as esteem and self-fulfillment. When an employee's expectation from his/her job comprises such higher needs, the employee will have a high-growth need strength, whereas another employee, who expects from work meeting more basic needs, such as pay, will have a low-growth need strength. Workers with high-growth need strength are interested in jobs with a high motivating potential. It may be also noticed that an employee's career stage has a significant impact on how important the five dimensions are. For example, when an

employee is entering to the organization, task significance has a positive effect on job satisfaction, but autonomy may have a rather negative effect [2].

Further research on motivation through work environment has reinforced evidence of the motivating influence of the five core job characteristics (skill variety, task identity, task significance, autonomy and feedback), as well as has provided evidence of motivating consequences of an extended array of work characteristics, including social work characteristics (e.g. social support), and knowledge work characteristics (e.g. complexity) [7]. In recent times, job design research has developed to consider a broader array of motivational states, such as psychological empowerment and self-effectiveness, as mediators of the link between job characteristics and outcomes. Feelings of empowerment emerge from job characteristics and, in turn, affect performance. In fact, the focus of job design on active, learning oriented states, such as self-effectiveness, openness to change, helps to understand how work characteristics can lead individuals to engage in more proactive and self-initiated behaviours [7].

3. Job re-design techniques

According to Hackman and Oldham's theory, employee motivation and satisfaction from work may be obtained through increased job motivational properties. To enhance both employee motivation and productivity, some concepts of job design are applied. There are three main techniques used for this purpose (Fig. 2), including job enlargement, job enrichment and job rotation. They are opposite of traditional principles of economic specialization and classical division of labour, whereby work is divided into small units and each of them is performed repetitively by an individual. This leads to de-skilling process, by which skill levels of either jobs or individuals are deeply reduced. With the use of new approaches to job design, there is a shift from highly specialized and repetitive jobs towards diversified tasks, functions and roles realized in the workplace environment.

Job enlargement

Job enlargement, also called horizontal expansion, is a method of job design in which the number of tasks associated with a job for a particular worker is augmented – Fig. 3. A worker who was limited to one narrow task so far, after job enlargement performs several jobs. The main aim is to make more diversified activities in the workplace and, by that, to minimize monotony at work, but it depends on the area of job enlargement. A small number of simple additional tasks makes monotony to be back again because after some time they may become as routine and boring as the basic job.

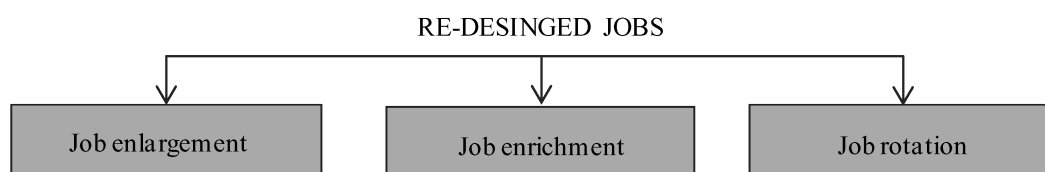


Fig. 2. Techniques of job re-design

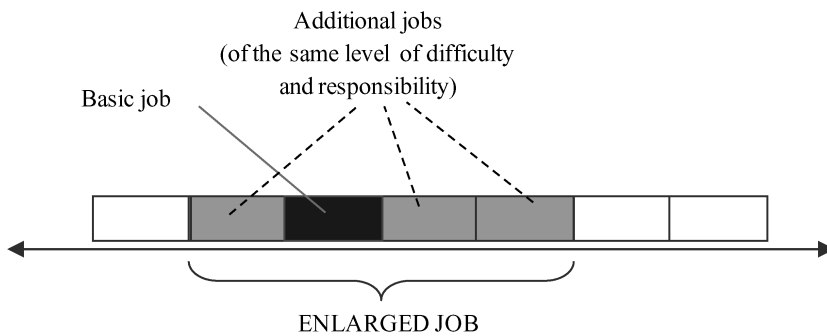


Fig. 3. The idea of job enlargement

It must be noted that additional tasks are of the same or very similar level of difficulty and responsibility, so they require usually the same level of skills, and an employee may relatively easily and swiftly learn them.

Job enrichment

Job enrichment, also known as vertical expansion, is a method of allocating to the basic task (a single or enlarged) additional and more responsible activities and challenging duties – Fig. 4. Job enrichment is adding more motivating factors and activities to an existing job in order to make it more challenging, meaningful, independent and responsible [2]. That is why, through this technique, job satisfaction and performance may be distinctly augmented.

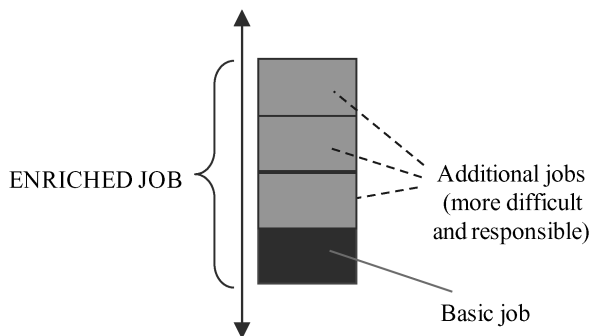


Fig. 4. The idea of job enrichment

A job may be enriched by [9]:

- giving an employee more freedom connected with selecting the method of work and planning the sequence of work, making decisions on the process,
- self-control related to own work,

- planning own work schedule,
 - keeping machines and tools efficient.
- Job enrichment allows employees to take tasks and functions, which are typically done by their supervisors or other departments (e.g. quality control, technical maintenance, material supply, decision making).

Job rotation

Job rotation is similar to job enlargement. Employees are moved from one job to another according to an established schedule at regular intervals (Fig. 5). The main aim is to

give workers experience within a department or production process and reduce monotony at work.

All three techniques are used in order to increase employee's interest in work, boost intrinsic motivation and real satisfaction from work. These techniques are different in some ways, but their common aim is to avoid monotony at work and reduce boredom, which occurs when performing the same job for a long period of time. Through re-designed jobs workers learn new skills, therefore agility and flexibility of staff is improved. Introducing job enrichment individuals have more autonomy at work and are handling a growing range of job responsibility, so they are more empowered through higher degree of decision making and more freedom to choose how and when work is done.

Besides, re-designed jobs should allow employees to encourage their initiative and participation. When rotating between different jobs workers can experience new tasks and understand more and better the production process. Moreover, rotational job assignments provide employees with immediate simulation and networking – they are often used to improve employee retention [4]. Furthermore, additional activities, especially of higher responsibility, give employees the possibility to satisfy their higher order needs, particularly esteem and self-fulfillment needs.

Nevertheless, there are some limits in application of some re-designed jobs. Technological and organizational limitations may appear and some changes in work organization and authority structure may be necessary. For example, it is rather impossible to enrich a worker's job on the production line. Employees are taken tasks and functions done previously by their supervisors or other departments. There can be also barriers due to attitude of employees. Some workers may not be interested in receiving more tasks and responsibility because they are happy to have the proverbial "peace

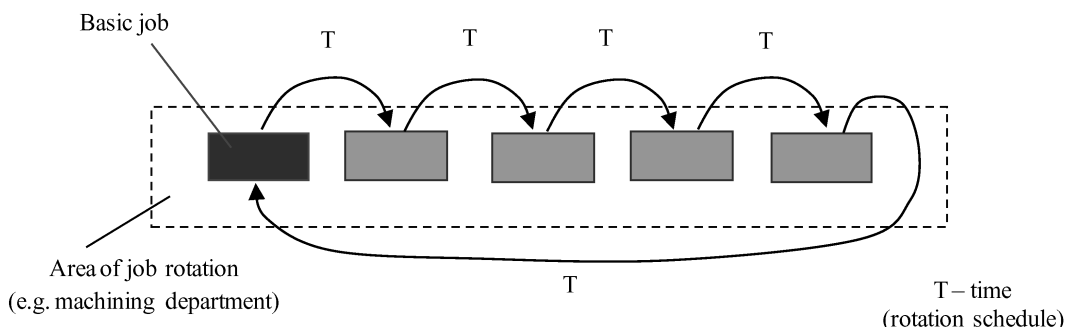


Fig. 5. The idea of job rotation

and quiet". Sometimes employees may oppose additional tasks, particularly when increased activities do not result in higher salary or other bonuses.

4. Re-designed job evaluation and pay differentiation

It is obvious that people work not only for money, but for many individuals money still remains as the strongest motivator, which push them to learn new task, take growing responsibility, change workplace etc. Employees with additional tasks, functions and responsibility expect greater level of pay and if their expectation is not satisfied they may feel unmotivated and frustrated with their work.

The major part of remuneration is a basic pay. To be motivating it should be a determinant of job content; that means it should consider job's complexity, required educational level and experience, responsibility, effort and material working environment. All these requirements are taken into account through job evaluation process. The main aim of job evaluation is to establish acceptable and justifiable pay relations between jobs using the same assessment criteria. A sample of job evaluation scheme is presented in Fig. 6.

After job evaluation process, the next problem is to classify jobs to job grades and job-performers to personal grades. The personal grade is usually equal to the grade of job a worker does, but the problem is more complicated when we introduce re-designed jobs. For example, an individual is performing additional functions, he/she is doing several jobs or is rotating regularly among different jobs classified to various job grades. So, this problem should be considered in advance, during job evaluation. There are to possible approaches:

A. Jobs may be evaluated separately and classified to a proper job grade due to job evaluation rules [1]. Then, from motivational point of view, a worker doing different jobs of different grades should be classified to the highest grade of considered jobs, according to the formula:

$$G_{Ei} = \max\{G_{Jk}\} \quad (3)$$

where:

G_{Ei} – employee's personal grade,

G_{Jk} – job's grade,

$k = 1, 2, \dots$ – jobs which may be done by i -th employee.

This approach may be recommend mainly to job enlargement and job rotation.

B. All jobs joined through job enlargement as one enlarged job are evaluated as a whole and according to obtained score the adequate grade is assigned to this enlargement job, as well as to a performer doing it. The same should concern job enrichment.

Example

There are eight different jobs J_k ($k = 1, 2, \dots, 8$), which have been evaluated using the job evaluation scheme (Fig. 6) and classified to job grades. In order to diversify activities of employees and reduce monotony at work, job enlargement and job enrichment are introduced. Jobs J_3 , J_4 and J_5 are aggregated and allocated to individual workers. Additional functions are added to a performer doing job J_2 , i.e. self-control, technical maintenance of equipment and planning the work schedule. These changes require re-evaluation of jobs, because the content of new jobs, as well as qualification demands are changed. The enlarged job requires more responsibility for work run and results because the number of activities a worker does is increased than it was in the past. The enriched job introduces requirements of more experience, higher responsibility and mental effort, but, at the same time, monotony at work is reduced. Results of job evaluation are included in Fig. 7.

The table presented in Fig. 8, as a result of job evaluation, shows the position of a particular job which reflects its relationships with other jobs, due to their different requirements

| Job evaluation factors | Level | | | | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1 st | 2 nd | 3 rd | 4 th | 5 th |
| I. Skills and knowledge | | | | | |
| 1. Education required | 5 | 15 | 25 | 45 | 60 |
| 2. Experience required | 5 | 10 | 15 | 25 | 40 |
| 3. Manual dexterity | 5 | 10 | 15 | 20 | x |
| 4. Innovation | 0 | 5 | 15 | 25 | 35 |
| 5. Cooperation | 0 | 5 | 10 | 20 | 30 |
| II. Responsibility | | | | | |
| 6. For decisions | 5 | 10 | 15 | 25 | 35 |
| 7. For work run and results | 5 | 15 | 30 | 40 | 50 |
| 8. For equipment | 5 | 10 | 15 | 25 | x |
| III. Effort | | | | | |
| 9. Physical effort | 5 | 10 | 15 | 20 | 30 |
| 10. Mental effort | 5 | 15 | 25 | 35 | 50 |
| IV. Material environment of work | | | | | |
| 11. Hazards at work | 0 | 5 | 10 | 20 | x |
| 12. Monotony at work | 0 | 5 | 10 | x | x |

Fig. 6. Job evaluation scheme

| Job evaluation factors | Jobs J _k | | | | | | | | Enlarged job | Enriched job |
|--------------------------------|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|------------------|
| | J ₁ | J ₂ | J ₃ | J ₄ | J ₅ | J ₆ | J ₇ | J ₈ | J _{3/4/5el} | J _{2er} |
| Education required | 5 | 15 | 15 | 5 | 15 | 15 | 5 | 5 | 15 | 15 |
| Experience required | 5 | 5 | 10 | 10 | 15 | 10 | 10 | 5 | 15 | 10 |
| Manual dexterity | 5 | 5 | 10 | 10 | 20 | 20 | 15 | 10 | 20 | 5 |
| Innovation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 |
| Cooperation | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 5 | 0 |
| Resp. for decisions | 5 | 5 | 10 | 10 | 5 | 5 | 5 | 5 | 10 | 10 |
| Resp. for work run and results | 5 | 5 | 5 | 5 | 5 | 15 | 5 | 5 | 15 | 15 |
| Resp. for equipment | 5 | 5 | 10 | 5 | 5 | 10 | 5 | 5 | 10 | 10 |
| Physical effort | 10 | 30 | 10 | 10 | 20 | 30 | 10 | 20 | 20 | 30 |
| Mental effort | 5 | 5 | 15 | 5 | 15 | 15 | 5 | 5 | 15 | 15 |
| Hazards at work | 10 | 5 | 10 | 5 | 5 | 0 | 5 | 0 | 10 | 5 |
| Monotony at work | 10 | 10 | 5 | 10 | 10 | 5 | 10 | 10 | 5 | 0 |
| Total score | 65 | 90 | 105 | 75 | 115 | 125 | 75 | 70 | 140 | 120 |

Fig. 7. Job assessment sheet

| Point ranges | Job grades | Jobs allocated to grades |
|--------------|------------|---|
| – 80 | I | J ₁ , J ₄ , J ₇ , J ₈ |
| 81 – 110 | II | J ₂ , J ₃ |
| 111 – 140 | III | J ₅ , J ₆ , J _{3/4/5el} , J _{2er} |
| 141 – 170 | IV | ... |
| ... | V | ... |

Fig. 8. Structure of job grades

for knowledge and skills, responsibility, effort and material working environment.

Next, this is the basis for differentiation of basic pay rates. Payment structure may be established by allocating a single rate or a few rates to each grade (one-level or multi-level structure), as well as introducing payment ranges. Ranges of payment may be discrete or overlapping ranges (more common in use).

5. Conclusions

In present enterprises motivating people means developing a set of positive motivators, that push people towards desired behaviours and actions. There are two main types of motivators: financial and non-financial. Financial rewards, including payment, motivate people extrinsically, but focusing on them may not be enough, so managers should also make the job more attractive by giving employees opportunities for challenging and meaningful work, learning and growth, more freedom and autonomy, responsibility etc. (intrinsic motivation). The both types of motivators are necessary to take into account when improving motivation system. Focusing on Herzberg's theory, the hygiene factors, including payment, should be ensured in order to exclude dissatisfaction, and motivators should be provided to increase job performance and ensure satisfaction with work. Re-designed jobs are good techniques of non-financial motivating, but changes in work organization through job

enlargement, job rotation and job enrichment need to review payment rules. It is true that money isn't a source of satisfaction, but when unsatisfactory it leads to dissatisfaction and frustration of employees. New tasks require better skills, higher responsibility and mental effort. Workers with additional tasks and responsibility expect greater level of pay, and if their expectation is not met they are unmotivated, dissatisfied and frustrated. So, these should be considered in payment system based on job evaluation. Re-designed jobs require job re-evaluation in order to keep the proper relationship between pay and job content. According to the Polish labour code "payment for work should reflect the kind of work carried out and qualifications a job-performer has to possess".

References:

- [1] Baron-Puda M.: *Różnicowanie wynagrodzeń pracowników w warunkach produkcji jednostkowej i małoseryjnej*. „Zarządzanie Przedsiębiorstwem” 2/2004, s. 2-10.
- [2] Bauer T., Erdogan B.: *Organizational Behaviour*. Flat World Knowledge, Inc., 1.1 edition, Irvington, New York 2010.
- [3] Beel J.: *Project Team Rewards. Rewarding and Motivating your Project Team*. CreateSpace LLC, Scotts Valley 2007, available on: www.project-team-rewards.com.

- [4] Berger L.A., Berger D.R.: *The Talent Management Handbook*. McGraw-Hill Companies, New York 2011.
- [5] Buchbinder S.B., Shanks N.H.: *Introduction to Health Care Management*. Jones and Bartlett, Sudbury 2007.
- [6] Faturochman M.A.: *The Job Characteristics Theory: A Review*. Buletin Psikologi UGM, December 2nd 1997.
- [7] Kanfer R., Chen G. And Pritchard R. (Eds.): *Work Motivation: Past, Present, and Future*. Psychology Press, NY 2008.
- [8] Makin P., Cooper C., Cox C.: *Organizacje a kontrakt psychologiczny – zarządzanie ludźmi w pracy*. PWN, Warszawa 2000.
- [9] Ogilvie J.R.: *CLEP Principles of Management: The Best Test Preparation for the CLEP*. Research & Education Assoc., Piscataway, New Jersey 2006.

Key words:

motivation, job enlargement, job enrichment, job rotation, job evaluation.

Abstract:

In many enterprises the re-designed work organization is common in use. Job enlargement, job rotation and job enrichment are examples of non-financial ways of motivating people towards better performance. Motivating is here based on modifying or changing the content of the job in order to give employees more satisfaction with their work. Particularly, job enrichment increases the depth of a job and allows job-holders to have more autonomy and more control over their work. In consequence, it gives workers the opportunity to satisfy some of the higher needs as identified by Maslow's and Herzberg's theories.

Re-designed jobs need higher competencies that is why employees with additional tasks and functions expect higher level of salary. It is important from the viewpoint of maintaining the proper and close relationship between payment and job's requirements. Impact of changes in job content on job's position in job grade structure resulting from job evaluation, and subsequently, on payment level is presented in this paper.

FINANSOWE I POZAFINANSOWE ASPEKTY MOTYWOWANIA PRACOWNIKÓW POPRZEZ REORGANIZACJĘ ZADAŃ PRACY

Słowa kluczowe:

motywacja, rozszerzanie pracy, wzbogacanie pracy, rotacja pracy, wartościowanie pracy.

Streszczenie:

W wielu przedsiębiorstwach funkcjonują takie formy organizacji pracy jak rozszerzanie, rotacja czy wzbogacanie pracy. Właściwie zaprojektowane i wdrożone mogą przyczynić się nie tylko do minimalizowania negatywnych skutków monotonii pracy, ale przede wszystkim być źródłem wewnętrznej motywacji pracowników, zwłaszcza dotyczy to wzbogacania pracy, które pozwala na zaspokojenie potrzeb usytuowanych na wyższych poziomach w hierarchii potrzeb Maslow'a oraz w teorii Herzberg'a.

Choć wynagrodzenie, w świetle teorii Herzberg'a, nie stanowi czynnika motywacyjnego, należy jednak do czynników higieny. Zatem należy stwierdzić, iż racjonalne i obiektywne różnicowanie stawek płac to podstawa budowy systemów motywacyjnych, gdyż bez właściwie zaprojektowanego systemu różnicowania wynagrodzeń inne formy motywowania pozafinansowego mogą nie spełnić swojej roli, gdyż wciąż będzie istniało niezadowolenie pracowników. W niniejszym artykule zasygnalizowano wpływ zmian w treści pracy na wynik wartościowania pracy i pozycję stanowiska w taryfikatorze zaszeregowania stanowisk, który jest w dalszej kolejności podstawą różnicowania stawek płac zasadniczych.

Dr inż. Maria BARON-PUDA

Katedra Inżynierii Produkcji

Akademia Techniczno-Humanistyczna w Bielsku-Białej

mpuda@ath.bielsko.pl