



Is money a motivator? Reflections of Francistown metropolitan companies

Dr. Milton Gwakwa

Business Management Lecturer

BA ISAGO University

Faculty of Commerce

Department of Business Management

Botswana

africahorizon@gmail.com,

+267 72 712 968

Abstract

The debate on motivation has been there for a long time, revolving on whether money is a motivator or not? The purpose of this study is to establish whether money is the only motivator. The study reveals that while money is regarded as a high motivator, they are also other critical factors such as- recognition, safety, feedback, teamwork, recognition, social networks and self-esteem that move employees in organisations. A review of existing studies complemented by cross sectional case study based approach in which 38 employees in Botswana were interviewed provided further findings on the cash based controversy phenomena within the motivation circles. The results indicate that the association between salary and job satisfaction is very weak. Furthermore, the correlation between pay and pay satisfaction appears not marginally higher indicating that people's satisfaction with their salary is mostly independent of their actual salary. The study recommends a combination of money based incentives with non-monetary rewards as the two complement one another. The results from this mini-survey and review of exiting secondary data have important implications for management: that is; if we want an engaged workforce, money is clearly not

the answer. In fact, if we want employees to be happy with their pay, money is not the answer. In a nutshell: money does not buy engagement and engagement is more critical and encompassing in enhancing employee performance than monetary incentives in many a case.

Key words

Motivator, Cash Reward, Motivating Controversy, Non- monetary

1.0 Introduction

The debate to determine whether people are motivated by money or by other factors that are non-monetary is endless and there is no conclusive position to that. What is only agreeable is that human needs and wants are not static and vary (Fair and Silvestri, 1992; Kantor, 1990). The question of how much should people earn and at what frequency is much debated among contemporary scholars, researchers, practitioners? Even if resources were and are unlimited, it would be difficult to stipulate an ideal salary. Intuitively, one would think that higher pay should produce better results, but scientific evidence indicates that the link between compensation, motivation and performance is much more complex. Scholars, Psychologists, Sociologists and others continue to research on the subject matter of whether a high salary motivates workers more than a good working environment which to us can be very subjective and also the determination of whether they are other factors which are highly motivational besides the alluded issues. Fundamentally, the secret behind company efficiency lies in invested interest of employees in future of company. The above mentioned facts are the essential needs for employee's success in the workplace (Burton, 2012). Is money a best motivator for employees? A survey study was conducted with Minneapolis Company regarding the employee's desires in their jobs. The outcome shows that four factors viz. advancement, specificity of work, pride in company and security (Employee, 2005). It should be noted that the results were surprising that pay, working condition and benefits were not chosen among factors highly desired for job satisfaction.

At the present moment, from a Botswana perspective, given the current socio-economic global trends, we are tempted to say; indeed a high salary could be a critical motivator, of course complemented by good working conditions. This is also discussed against a background where Botswana is rated Middle class economy in Africa-a fit that many

countries envy. This write-up will explore this contention from both local perspective and the theoretical philosophies and models that underpin the field of motivation and how it impacts on worker performance. These philosophies and models include theorists such as Herzberg, Maslow, McGregor and others who have also from their perspective discuss issues of what motivates workers at length. Indeed, at this initial juncture we want to agree that beyond a high salary and good working conditions they are serious compelling factors that motivate workers and make them more productive. However the debate on these issues is ongoing among scholars and researchers.

1.2 Statement of the problem

There is a lot of controversy among researchers, writers and society in general about what exactly motivates people (Piecrce, *etal.*, 2003; Stroly,2007). They appear to be as many views as the authors of the subject area. I have also joined the bandwagon in debating what I will call- ‘Money View Controversy (MVC)’ As part of this exploration, this study interrogates some of the controversies from previous studies vis-a-vis a group of selected employees in Francistown.

1.3 Research questions

Given the above problem background, this study posits the following research questions:

- Is money the only motivator?
- If not the only motivator, what else motivates?
- What do other researchers say about motivating factors?

1.4 Significance of the study

This study is fundamental in many ways. Firstly, this study *interrogates* the view that money is a motivator in boosting employee morale at workplaces. It provides readers, practitioners and human resources personnel with a new mind set and mind refreshing ideologies. Secondly it provides insight to companies, not only in Botswana about what workers perceive as key factors to inspire them to perform beyond reproach. The study also adds to existing theories and knowledge on motivation and human capital morale raising ingredients.

Motivation explored

In order to discuss this question critically, it is important to zero in on what motivation is and possibly what a high salary is and finally what a good working condition refers to. Work motivation is described as the psychological process that direct, energise and maintain action towards a job, task, role or project (Campbell and Pritchard, 1976, Kanfer, 1990). Peter Drucker (1980) in his several pieces of work did reiterate that motivation is a process and not an end in itself, a process of influencing an individual to willingly perform and undertake a given task. Various authors tend to agree on that aspect that the objective of motivation is to influence positive performance. According to Thill (2008) motivation is a combination of forces that moves individuals to take certain actions and avoid others in pursuit of individuals. Motivation is the set of forces that causes people to behave in certain ways. One worker may be motivated to work hard to produce as much as possible, whereas another may be motivated to do just enough to get by (Ebert and Griffin, 2009; Wiersma,1992). Other researchers such as Slocum and Hellreiegel (2009) say motivation represent the forces action on or within a person that cause the person to behave in a specific, goal-directed manner.

The need for self fulfilment, the need to be meaningful, need to create personal challenge –is not only about aspiring people to work harder-it is also an effective way of retaining people and building loyalty. Motivation may be defined as "a willingness to expend energy to achieve a goal reward." It is a force that activates dormant energies and sets in motion the action of the people. It is the function that kindles a burning passion for action among the human being of an organization. Motivation consists of interaction, and interdependent elements, needs and drives. The question that need to be raised is : what are those fundamentals needed to be put in place in order to be able to motivate? Is it just a salary rise? Is it just about the working conditions? Or is it about a combination of these? As we explore this phenomenon, we will try to categorically state these factors and show how their influences work performance.

What is a high salary? This is quite subjective because its difficulty to really pin point what a high salary is? The question of a high salary depends upon a number of macro and micro determinants and the environment under scrutiny. A high salary according to many authors (Armtage and Corner, 2001; Kanfer, 1990; Adler and Chen, 2009; etcetera) is that salary which leaves an employee with enough disposable income to make a saving for future use. Given this generally accepted definition, I also want to add that a high salary therefore cannot be pegged at the same level. Contextually a high salary is perceived different by different

people depending on their level of actualisation (Maslow, 1943, Dunhan,1977). For example a clerk who just hold a secretarial certificate working at a University in Francistown-Botswana may be highly satisfied with his or her salary of say P3 700 while a lecturer who earns P 15 300 is unhappy with it. This is quite contentious and subjective and possibly an argument of such a nature needs to be qualified by living examples.

What are good working conditions? This is also a debatable phenomenon. The underlying philosophies underpinning what is good may also cause confusion among scholars and workers themselves. The common explanation advanced by many scholars including (Bistol, 2013; McGregor, 1960; Herzberg, 1976) is that good working conditions are those work environments that support employees to work amicably with their peers and with interest to accomplish organisational goals. With a more than fifty percent probability of confidence based on my personal intuition and experience, I believe that the basic tenet is that the work environment must be worker-friendly and supportive of the desires and interests of workers..

1.5 Methodology

The study is qualitatively designed and is based on a case model of Botswana employees picked judgementally from a cross section of industry. The sample size used was thirty eight employees, selected from five industries namely construction, tertiary education, manufacturing, hospitality and tourism and Retail industry] whose information is used in this paper. The employees were chosen conveniently and through snowballing. The employees interviewed were those with two or more years of work experience and were permanent or substantive in their posts. Dealing with permanent employees provided an accurate account of the feelings, perceptions and opinions of employees who have a long life with an organisation whereas temporary or casual employees, by the nature of their contract-are obviously, according to us money lovers and or are influenced by the love of money and think of nothing more than high remuneration. The discussions and interviews held drew on the employees' responses to questions pertaining to their work experiences. The study attested to determine how these employees' experiences around their companies affected their work and motivation trajectories. As part of the gathering, I also relied heavily on my personal experience(s) of the work, used observations and general discussions at various forum(s). The information obtained here, provided a rich context upon which conclusions of the study are based. Data analysis was thematically presented using content analysis-more specifically-Hycner's explicitation approach.

1.6 Researches undertaken: Findings

Research shows that employees are motivated to work when given the opportunity to make more money. However, organisations must consider the issue of other critical factors that make the job more interesting. Employees have different motives for acquiring wealth and as such money is not the sole reward that motivates employees and indeed money reward employees less than when it is given along with non-financial reinforcements.

1.7 Materialism- a money hooker

The high salary aspect and that employee's work better with it, is quite subjective and what can be agreed is that several researches undertaken subject this notion to the so called *Materialism phenomena* (Hackman,1980; Soojung Jang, 2010; Campion and Thayer,1985) Materialism is defined as when a person values money, wealth and possessions more than other things in life. Studies show that materialistic focus in life is associated with a lower psychological well-being. Even though workers become happier when their income rises, the intensity of desire for wealth remains negatively correlated with psychological well being and their work output may only be consummate with the rise in the short run.

The use of monetary or other financial incentives as part of the other work conditions in the classic 'work-performance standard' comes from reinforcement theory propounded by Thorndike in the early 21st century. Reinforcement theory is the relationship between behaviour, such as work performance and its consequences, such as pay. It comes from the principles and techniques of organisational behaviour modification. Organisational behaviour modification is a structure within which employees behaviours are identified, measured and analysed in terms of their consequences, such as existing reinforcement and where an intervention is developed using principles of reinforcement. The emerging issue from this theory is that, a high salary is used to reinforce employee's performance. High salaries will make workers happier but it will not buy better performance. Gupta in her studies warns that employers who give small merit raises-less than 7% of pay-may harm job performance. According to her, small raises can decrease motivation because employees become irritated that their hard work earned so little money. Monetary rewards can extend beyond the raises discussed by Gupta; steam to include individual and small group rewards, merit pay, pay for performance, variable pay plans, or group bonus plans as well as profit and gain sharing plans. We are confident to conclude here to say that financial incentives improve task performance, but their effectiveness is depended upon organisational conditions

The best technique stems from Stajkovic and Luthans's influential meta-analysis which concluded that feedback combined with money and social recognition produced the strongest effect on job performance.

1.8 Views of Various Theorists: Contributory factors

Contrary to the belief that money is a big motivator to performance by workers is the argument propounded by Herzberg in his two factors theory in which he discussed at length that people are motivated by other factors apart from money. He talked about hygiene factors (supervision, interpersonal relations, working conditions) and also looked at achievement, recognition and worker advancement and the need for achievement is critical determinants for motivation. Maslow tends to agree with Herzberg (1976) as he also asserts that people go through a certain level in their motivation ego ranging from basic needs to self actualisation. Maslow emphasised on other conditions which include good shelter, safe work environment etcetera. This is an important component of this question under scrutiny -which propounds that- good working conditions are also critical apart from a high salary. All he was putting across was that a high salary is not the only driver but things like self actualisation, social recognition and safety issues were critical drivers towards the fulfilment of the motivation phenomena with the desire to influence employee performance. McGregor (1960) in his X and Y theory asserts that the management style adopted had a bearing on employee performance, thus shifting his focus from the monetary aspect. He advocated for the Y-theory which provided a basis of trust and empowerment for employees to perform contrary to the X-Theory which embeds little or no faith in the maturity of workers -believing that they cannot perform if they are not pushed. The sum total of the views by Herzberg, Maslow, McGregor, Thorndike and other psychologists, sociologists and various scholars provide a clear basis for arguing positively that a high salary is not the prescription that only cures the performance problem that motivation can address but is only but one of the many factors to be considered seriously.

Another theory coined 'The theory' was developed by Adams. It focuses on social comparisons – people evaluate their treatment by the organisation relative to the treatment of others. This approach holds that people analyze inputs (what they contribute to their jobs in terms of time, effort, effort, education, and experience) relative to the outputs (what they receive in turn- salary benefits, recognition, and security). For example if old lecturers at BA ISAGO hear that the newly recruited lecturers are getting the same salary as them, they may

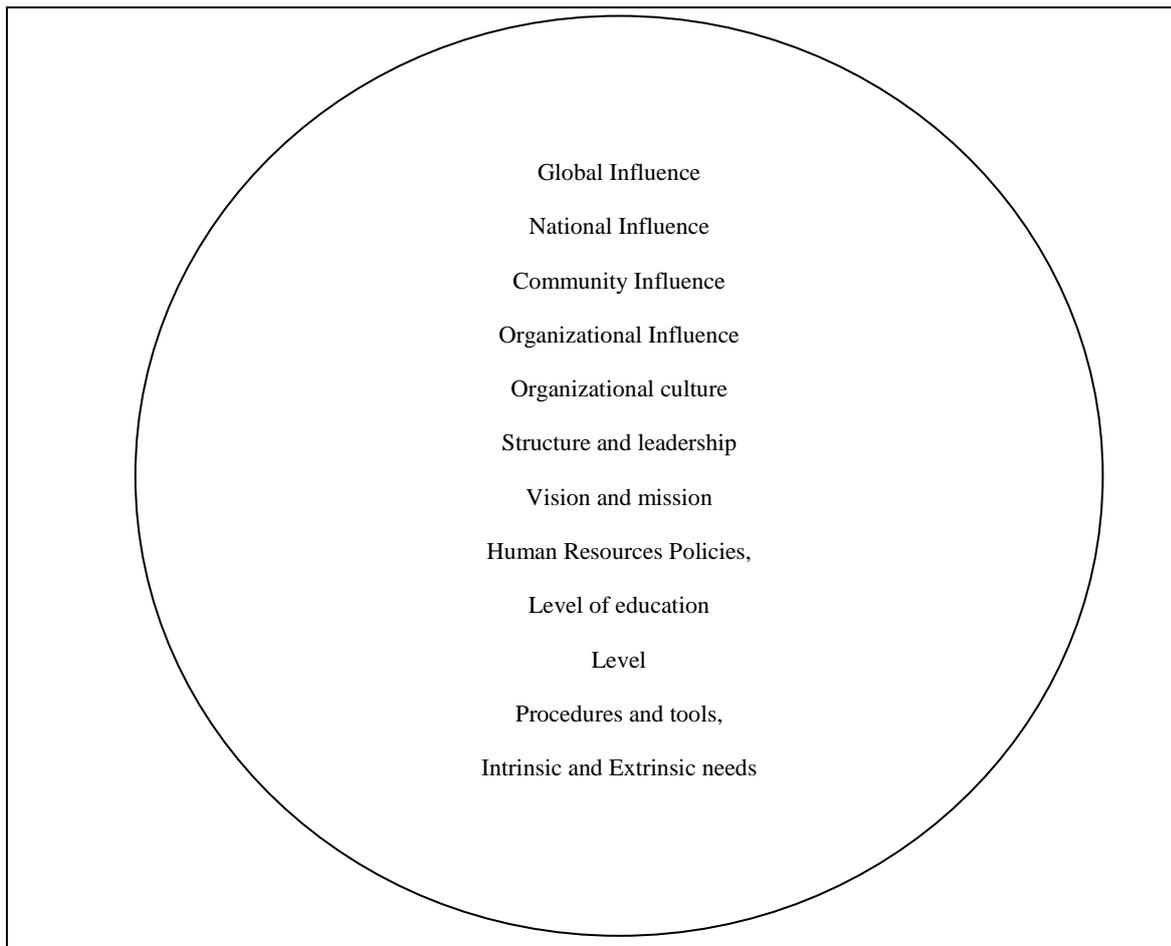
feel equitably treated. If the new comer gets more than them, they may feel inequitably treated. That can be source of dissatisfaction. Thus a combination of various factors, high salary included of course will lead tom high staff motivation ultimately resulting in high performance.

1.9 Other paradigms on motivation

Other critical factors include creating a challenging job, job rotation and delegation of duties. Job enrichment is designed to add one or more motivating factors to job activities. For example, job rotation programs expand growth opportunities by rotating employees through various positions in the same firm (Griffin *et al.* 2009; Alder and Chen,2009). Lecturers can be rotated from one module to another every semester. Job redesign is achieved through restructuring work to attain a more satisfactory fit strong between workers and their jobs; it can motivate individuals with strong needs for career growth. This can be done by increasing variety (Ebert et al 2009).

Research done by Aid group produced interesting results According to people in Aid (2007) organizational influence is the main factor in employee motivation. Nevertheless, no organization is an island as each is also affected by the communitie(s) in which they exist such as family, friends, community members and local issues affecting the lives of people. Moreover, motivation at work is influenced by diversity factors for example; one would assert that organization must conform to social, political, economic and legal requirements on national level, whilst the employee must also do the same in order to exist. The diagram in the next page show factors affecting employee motivation.

Figure 1.1 Critical factors on Employee motivation



Adopted from People in Aid (2007:26) and modified by Gwakwa and Karecha (2016)

The above illustration shows that motivation at work place is more than high salary and work environment. Whilst high salary and good working environment are critical, it must be appreciated that it goes beyond these variables and accommodates issues to do with community influence, national influence, and Global influence. According to Adams ,(1963, 1965) employees are motivated by inputs such as effort, knowledge, skill and loyalty in

addition to outcomes such as pay, bonuses equity theory also substantiate the fact that motivation is influenced by wide range of factors. Goal setting theory asserts that specific goals motivate high performance by focusing attention, increasing effort and persistence and encouraging the development of novel task strategies, Locke and Latham (1970). However, job design is also important on motivation, thus job enrichment, which refers to altering the structural characteristics of employees tasks to increase them motivating potential, (Herzberg, 1960). Hackman and Oldham (1980) propose that motivation is a function of three critical psychological states that is experienced meaningfulness, responsibility for outcomes, and knowledge of results. Thus, experienced meaningfulness is thought to be determined by three core job characteristics such as skill variety, task identity and task significance. Our opinion(s) is that experienced responsibility is shaped by the job characteristics of autonomy and experienced knowledge of results by the job characteristics of feedback.

1.10 Findings

From the snappy survey conducted, in Gaborone and Francistown from 38 employees, the following results were revealed. More than 80% of the respondents concurred that ‘money is the reason why they go to work’. The implication from this revelation is that other factors are incidental to their needs as the primary purpose for going to work was to get a ‘salary’ and all other things follow. The following comments were compiled from live interviews which were held out with various respondents representing the universality we have alluded to earlier on.

“ I am here because I want a salary, in order to take care of my family needs. I am motivated by a high salary and there is no doubt about that...”

“Who ever says money is not a motivator is pretending madam- sir! People at this Bank smile more, when a salary increment is effected...”

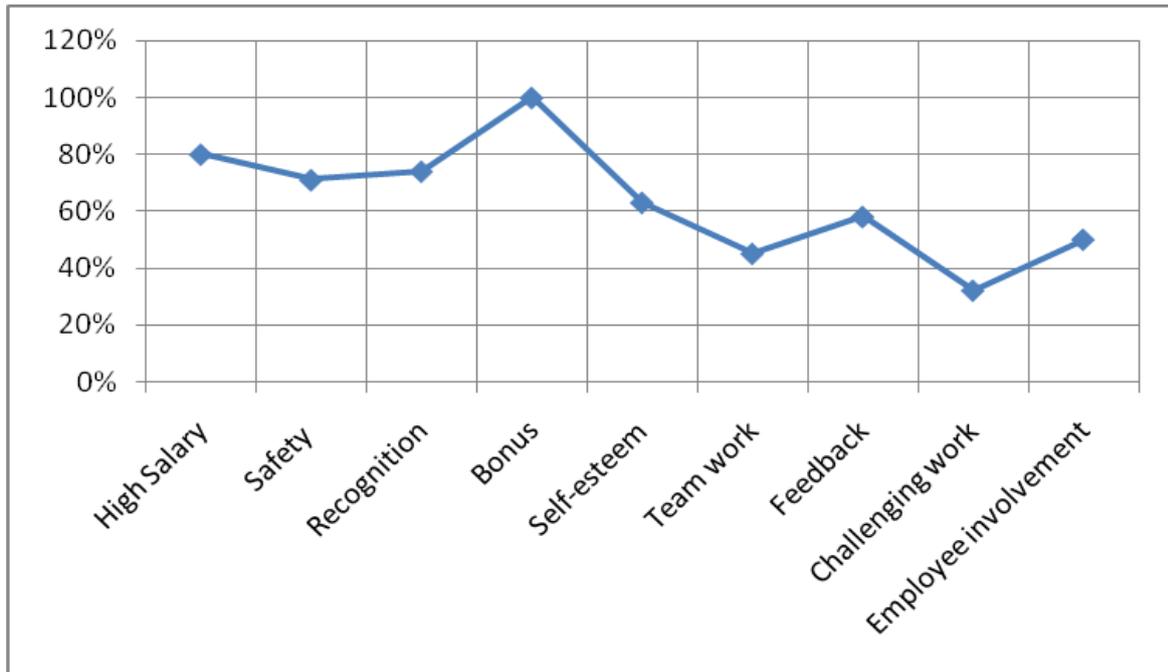
‘We like cars. Just imagine if you don’t get a better salary, what I will drive?’

Surprisingly more than 70% mentioned owning a car as a priority and hence being moved by a high salary. However, it is not everyone who believed that money is always a prime motivator. One of the respondents had this to say.

‘I am personally not motivated by money at this company. I find joy and happiness in the comfort and reliability of the bus I drive, its smartness and fringe benefits such as free lunch, days off and the general working condition’.

The same opinions were echoed by about 20% of the respondents who believed that money ceases to be a motivator if the salary remains at the same level for a long period of time. What emerged from this group of respondents which, generally was agreed by all of them is that money is just a temporary motivator. Below is a table representing the views and opinions of the cross section sample obtained from different sectors of Botswana.

Table 1.2 Motivating factors



The above findings indicate that a high salary (80%) and bonus (100%) are regarded highly as great motivators, while recognition (67%), safety (65%) and self-esteem (60%) at work follow suite respectively. These findings, also share common ground with findings from Maslow’s hierarchy on human needs as well as Herzberg’s two factor theory. The only area of differences is where results here tend to put emphasis on a high salary and bonus which is absent in the findings of the two motivation gurus mentioned here. I want to reiterate that there is indeed no similarity in what motivates employees as these studies have been carried out in different environments. A seemingly prevailing culture among the working class in Botswana is that of owning a car as a major achievement according to polls based on this study ; hence the more money one gets the higher the chances of affording buying a car, not just a car but a luxurious car. A general observation in the Sub-Sahara region is that car owning seems to be an achievement and a prestige, hence the need for a high salary among employees-who feel motivated by it. It is not surprising therefore to see that 80% of respondents put emphasis and gets motivated by a high salary. This will afford them the

opportunity to go 'four wheels' and wine and dine. The remainder who do not regard salary as a high motivator are more on the side of non-monetary rewards in which some even felt companies need to pay school fees and pay rent too for their employees. It would be highly motivational and enable them to retain employees. This is similar to the Japanese concept of life-long employment.

1.11 Lessons learnt

Given these various views propounded by the various scholars, we believe that the following issues are paramount to take into cognisance:

- Money is certainly a very important motivator for employees; however it is controversial to say that this is the primary motivator.
- Different alternatives such as non-financial rewards can be more efficient than cash money and create a higher impact on motivation for employees.
- Statistically, money is the primary motivator for the majority of employees (current context in Botswana or any environment characterised by turbulent), because they have to address their basic physiological, safety and even social needs first. However the question does not discriminate the amount of employees or their condition.
- A re-look at Maslow hierarchy of needs, shows that the top of the pyramid cannot be satisfied with money. Self-esteem and self-actualization are the only motivators left when the lower steps in the pyramid are covered. That is why different alternatives should be used. Rewards strategy and non-financial motivational methods could be even more effective than just cash money
- The use of teams is definitely the best strategy to build an innovative, creative and promising organization. The idea of having a culture of teamwork in a company creates an atmosphere of commitment and motivation. Groups are better at solving problems efficiently as they can evaluate different alternatives and are able to find the best solution with the correct teamwork process.
- Organization that are able to build a collaborative culture can be more successful and creative and this is more than a high salary and does not create expenditure accounts for the organisation.
- Money is not the only motivation for work, because there are people who spend countless hours working in fields like teachers, who are not paid nearly what they are worth. When you choose a profession, the first criteria for the selection is that one must love what they do, or else, you will be unhappy.

- Studies continue to show that salary is not the number one motivator for work and that employees are motivated (and stay with their companies) for the following reasons:
 - their work and contributions are recognized and valued. They feel appreciated and part of a community.
 - they receive on-going feedback from their manager/supervisor, thus they feel "in" on things. This creates trust in the workplace.
 - there are on-going opportunities for learning and professional development
- People can be motivated best when we combine monetary rewards with appropriate organization system and culture, including supervisory behaviour that enables people to enjoy their work and are able to see the worth of the results they produce.
- Money is an extrinsic motivator, meaning motivation we get from an outside source. Extrinsic motivators cause intrinsic motivation to evaporate.
- The importance of money as a motivator has been consistently downgraded by most behavioural scientists. They prefer to point out the value of challenging jobs, goals, participation in decision making, feedback, cohesive work groups and other nonmonetary factors as stimulants to employee motivation.

1.12 Conclusion

While it is true to say that motivation for staff depends on a high salary and good working conditions, it has been proven that there are other factors such as those propounded by Herzberg, Maslow, McGregor, Thorndike and many other scholars that are critical to motivation. Put together money, good working conditions and the other intrinsic and extrinsic factors produces good levels of motivation. Motivation is complex concept and can be helpful or harmful depending upon how it is utilized within organization. Manager recognition of employees need could be extremely beneficial for making a pleasant working environment. This will ensure the improved productivity of the employees. If above suggestion followed managers will have highly motivated employees who effectively and efficiently deliver. Hence we pen off concurring with the contention that the motivation for staff to work well depends on more than a salary increment and good working conditions which includes good Botho and Ubuntuism philosophies and practices.

1.13 REFERENCES

Adler, P.S and Chen, C.X (2009). 'Beyond intrinsic motivation in large scale collaborative analytic review'. *British Journal social psychology*, 40, 471-499.

Campbell, D.J and Pritchard, R. (1976) Motivation theory in industrial and organizational

Campion, M.A., Thayer, P.W. (1985). "Development and field evaluation of an interdisciplinary measure of job design". *Journal of Applied Psychology*. pp. 29–43.

Dunham, R.B. (1977). "Relationships of perceived job design characteristics to job ability requirements and job value". *Journal of Applied Psychology*. pp. 760–763.

Fair III, E.M., Silvestri, L. (1992). "Effects of rewards, competition and outcome on intrinsic motivation". *Journal of Instructional Psychology*. pp. 3–9.

Hackman, J.R. (1980). "Work redesign and motivation". *Professional Psychology*. pp. 445–455.

Herzberg, F, (1976) *The managerial choice: To be efficient and to be human*, Irwin.

Higherdbcs.wiley.com/legacy/college/schermerhorn/.../ch06.ppt[publisher=Wiley]

Kanfer, R (1990) Motivation theory and industrial and organizational psychology. in M.D

Maslow, A.H (1943). A Theory of human motivation, *psychological Review*, Vol 50.

McGregor, D (1960) *The human sides of Enterprise*, McGraw-Hill: New York.

Pierce, W.D., Cameron, J., Banko, K.M., So, S. (2003). "Positive effects of rewards and performance standards on intrinsic motivation". *The Psychology Record*. pp. 561–579.

Soo Jung Jang, R.P. (2010). "The interaction effects of scheduling control and work-life balance programs on job satisfaction and mental health". *International Journal of Social Welfare*. pp. 135–143.

Stroh, K.S. (2007). "Flexible schedules make powerful perks". *Flextime: Myth or Reality?*. pp. 12–14.

Wiersma, U.J. (1992). "The effects of extrinsic rewards in intrinsic motivation: A meta-analysis". *Journal of Occupational and Organizational Psychology*. pp. 101–114.

© GSJ