Person Demotivation in Organizational Life

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Abstract

This reviewing of demotivation factors found out that motivation and demotivation factors are two related to each other completely. The factors that cause motivation are those factors that their lack leads to demotivation. In most cases demotivation is initiated from the inside the organization. What causes demotivation simple can be defined is any factors that let the employee ambition down. Theses factors could be financial, social, and organizational factors. This review find out that the income that is lower than expected in one organization is a demotivation initiative. The scale that the employee could achieve in one organization could be initiative for demotivation if does not match his ambition. Other factors in details are explained below.

Introduction

Any person in life has an ambition. The ambition in life is legal and considered the incentive to continue life. People working in an organization do expect to achieve specific goals in their working life. These goals range from the development of the person skills to the improvement of his financial conditions. Through specific years the person expect to achieve part of his ambition and some improve of his life. When time passes and the employee find himself moving in place, the trip of demotivation starts. The demotivation causes differs from one person to another. Sometimes, secondary initiatives cause demotivation for the person such as the routine daily job. The management of any organization should have periodical studies about their employees to witness some changes to get its employees away of any demotivation causes.

The feedback data about the employees helps the management to find solution for the demotivation factors inside the organization. The feedback data helps the management in improving the conditions of its employees to achieve the refreshment of them as well as to achieve the establishment goals.

The causes of demotivation can be classified to three categories. The first category of demotivation is of financial sources. The second category is the work environment initiatives. The last category is the outside environment related to the organization indirectly such as the transportation of employees and the conditions of people doing the same job in the other organizations.

This review will discuss these factors and its direct and indirect effect on the people inside the organization.

Financial Sources of Demotivation

There are five different ways in which an organization can reward its employees according to its perception of their individual merit. Three of these are piece work, the distribution of equity and profit shares. The fourth is the allocation of one-off bonuses, often on the completion of a particular project or in recognition of a specific contribution. The fifth is performance-related or merit pay, which, once agreed, becomes a regular part of the employees' salary and is usually taken into account for pension purposes. According to Murlis (1992) this form of performance-related pay may be organized in four ways. Firstly, arrangements may be made for those perceived to be performing well to proceed more quickly up an incremental scale. This often occurs in unionised organizations, as it is compatible with a negotiated uniform salary structure, but it has two main drawbacks – good performers get stuck on the top of the scale, and even the poor performers will get there eventually. This problem is partially addressed by the second arrangement whereby employees are paid between 80% and 120% of a midpoint, so that poor performers never reach the top –though there still comes a time when good performers have nowhere further to go.

The follow of such methodology of the evaluation of employees in the organization may initiate the demotivation of the employees to due to the partial decrease of the employee to produce with time, in one hand. On the other hand, this type of paying may cause biased paying for the different employees as it depends on the body structure and the ability of the employee to produce.

Under this arrangement, higher increases may be paid to those who perform well when relatively new to the job - on the grounds that people with more years of experience could be expected to perform well, whereas the new ones are still learning. This may forms a special type of demotivation for the new employees inside the organization. The third form of performance-related pay, which, again, often occurs in unionized work places, is performance-related increases in addition to a cost of living increase for everyone. If this type of payment is not existed in any organization it creates the demotivation for the employee, which resulted in decreasing his performance inside the organization. Finally there is the arrangement of giving increases only for personal performance, often within the range of 0% - 20% possibly at the discretion of the manager.

Many advantages are claimed for performance-related pay, though its primary purpose in any organization is to recruit, retain and motivate the workforce. It is believed that high quality workers are attracted to an organization where they believe their ability will be rewarded, while the current workforce is given the message that good performers that are valued and poor performers are not. The prospect of earning more money is assumed to motivate workers to work harder and/or more effectively.

But a worker who does not have the ability to perform well under this system, it will be considered the initiation of demotivation inside the organization. There are additional aims, one of which is to make employees more aware of or more committed to certain organizational goals. When employees learn that certain skills or specific behavior are rewarded in a performance-related pay system, they also learn what it is that their employer considers important. As Protsik (1996) says, the ways an organization pays, or as she puts it, 'compensates' its employees is strategic. "Compensation… serves more than the simple purpose of paying people for their time and hard work. Compensation systems communicate organizational desires to employees." (p.266)

Other objectives of performance-related pay identified by Kessler and Purcell (1991) are:

- weakening the power of the unions by making individual rather than collective contracts;
- making managers responsible for taking decisions;
- giving better value for money;
- advertising the organization's core values,
- changing the culture of the organization, while the OECD's study of performance-related pay in the public sector (1993) also mentions:
- encouraging greater accountability
- strengthening the relationship between individual job goals and organizational goals
- giving managers greater flexibility
- saving money by reducing automatic increments
- enhancing job satisfaction.

How Financial Aspects Causes Demotivation?

Empirical studies of some organizations, which introduced performance-related pay show that it this system may cause demotivation effect. Lazear (1999) studied a car windscreen fitter over the nineteen months in which it changed its pay structure by switching to piece rates and increasing its output by 44%, half of which was attributed to improved working by the existing staff and half to improved recruitment. Fernie and Metcalf (1996) found that jockeys performed better when paid according to results than when paid under a retainer system. Because of this, overtime, the retainer scheme became less popular, though it is not explained how this success could be maintained. A horse race can have only one winner, and so once all jockeys are paid according to their performance, the success of performance-related pay in producing winners must diminish.

Murnane and Cohen (1986) claim that performance-related pay works best where there are clearly measurable outcomes, and, although this applies to fitting windscreens and racing horses, it is not true of teaching, unless pupil test results are the sole criterion of success.

There are other public sector jobs with hard to measure outcomes, however, where performance-related pay has been introduced and its motivational effect observed.

Marsden and Richardson (1994) studied the effects of the introduction of performance-related pay into the Inland Revenue and found that staff did not report that their motivation had improved. Asked if performance-related pay had led them to change in line with a range of objectives such as improve the quality or quantity of their work, work harder or give sustained high performance, a large majority replied negatively. Marsden and Richardson concluded that:

"The positive motivational effects of Performance Pay…were at most very modest…Even worse, there is clear evidence of some demotivation." (p.253) Similarly, Marsden and French's study of performance-related pay in public services (1998) found that most staff did not believe it had raised their own motivation, though about a half of civil service and hospital line managers believed that it had raised productivity and, to a lesser extent, quality. Richardson (1999a), in his report commissioned by the NUT, considered studies into the introduction of performance-related pay in local government (Heery 1996) and the NHS (Dowling and Richardson 1997), which again rely on self-reported judgments about individual behavior. While over half of the local government respondents said that performance-related pay had had an impact on their work behavior, a large majority did not believe that they worked harder. Amongst the NHS workers, just under 30% agreed that performance-related pay had improved their motivation, but it was still a small percentage (12%) that agreed that they worked harder.

When considering the finding that workers did not believe performance-related pay had motivated them, however, it should be remembered that the admission that one works harder for extra money is not easy to make as it involves admitting that one could have worked harder previously but chose not to. Indeed, it may be especially difficult for those involved in public service rather than private industry. It also should be remembered that even if all employees do not work harder or more effectively, improving the performance of between 12% and 30% may be considered worthwhile (as long, of course, as the other 70% - 88% are not demotivated and working less effectively).

The motivation of some workers inside the organization may be accompanied of demotivation of others. The management of the organization should manipulate the system of payment in both aspects the motivation and demotivation of the organization employees. The old workers in the organization should feel of justice in any system of payment applied in the organization. The organization should study the scale of wages in other organization of similar activities to establish balance for its employees with other in the other organizations to avoid their motivation. Demotivation inside the organization could be found when the employee spend many years working in one organization while the method of payment did not allow him to achieve any development on the financial aspects. One organization should manipulate its plans to make its employees feel satisfactory of their positions inside the organization.

Inside Organization Demotivation Factors

Fear of job loss following a merger or an acquisition was the number one worry among senior executives in the thousand largest U.S. companies in the 1990s. such feel is considered a principal factor to make the employee feel of demotivation. Executives and other employees retain vivid memories of the trauma experienced when firms are merged or acquired, cultures clash, and coworkers who seem like decent contributors are let go merely because their positions have become redundant. Even in organizations that have not merged or been acquired, employees have learned (from first hand experience in past jobs or vicariously from their neighbors, friends, or relatives) about the stress and anxiety associated with organizational transition.

The number two fear reported by the surveyed executives was burnout. *Burnout* entered the popular vocabulary in the 1970s after studies of mental health and other social service professionals documented that large workloads and minimal resources contributed to a sense of hopelessness in aiding clients. The "system" was not working, and these professionals grew physically tired and psychologically alienated. They expressed anger and doubt about the worth of what they were doing along with an overall lack of job interest.

Today, *burnout* signifies feelings of physical and emotional exhaustion, alienation from others, and reduced personal accomplishment. It is equally likely to occur in big corporations, small businesses, government offices, or not-for-profit agencies. In organizations that downsize through layoffs or hiring freezes, surviving employees have to work harder to cover the tasks of others. Fewer support staff or other resources are available to help get the job done. The new workplace offers scant advancement opportunities as management levels are eliminated and career paths are obscured.

The recession that began this century has limited pay increases and bonus pools, and the deflated stock market has sunk stock options. All of this prompts people to ask what the payoff is for working so hard. One middle manager from a high-technology firm that went through a merger and two subsequent waves of downsizing within a four-year period put it this way: "I get to work early, stay late, come home, throw some food down my throat, put the kids to bed, do some more work, fall asleep, and get up and do it all over again. What kind of life is this? Yeah, I've kept my job while many people I know have lost theirs. But how could things be any worse if I lost it?"

Fears of job loss and feelings of burnout extend well beyond the executive suite. In the past decade, professional, managerial, and other white-collar employees joined blue-collar employees (the tar-get of job cuts and wage freezes in past economic downturns) in suffering through layoffs, reduced benefits, and a falling quality of life.

Though always painful, these conditions are more tolerable when one perceives them as being shared by others and leading to some payoff later on. Employees in the 1990s witnessed organizations willing to slash payrolls as deeply as necessary to satisfy short-term financial targets. And it all continues in the current decade. Employees worry about the next wave of layoffs while executives are buffered by generous golden parachute arrangements. Four thousand employees were laid off at Enron when it declared bankruptcy; five hundred of its executives divvied up $55 million in bonuses right before the filing. Meanwhile, the surviving employees saw their 401(k) accounts evaporate as the company stock fell and executives—many of whom were unloading their own shares—stipulated that employees could not sell Enron stock in their retirement plans.

People are not unwilling to work hard or to commit to the business objectives of their workplaces. Instead, they have become consumed by fear and suspicious of management declarations that "everything is under control" or "it's business as usual" when there is obvious evidence to the contrary. In many organizations, employees have grown cynical of programs under the rubric of "rightsizing" or "reengineering" that produce little in the way of real positive change. As employees feel they are receiving less from their employer, they give less in return. Listen to a manager from a large health care organization:

It's like each side takes something away, so the other reciprocates. First, the company took away our security when they downsized; there went our loyalty. Then they stopped merit pay raises when they introduced the new compensation plan, and we took away our commitment to doing creative and high-quality work. Next, career options went out the window with the delayering, so people stopped working hard because there was no payoff for it. I used to love coming to work at this place; now I show up, and it's simply a matter of them paying me for my time.

The word around many corporations today is that at the first sign of an economic recovery, people will jump ship. The best and the brightest—those with the most marketable skills—will lead the way. Others, the dazzled and disillusioned among them, will stay and work in an unimpassioned and indiscriminate manner. They will rely on antiquated skills, information, and practices that poorly equip them for the challenges at hand. A workforce without high-quality talent, a commitment to excellence, and the necessary tools for success will severely hinder any organization's ability to rebound in an economic recovery.

The previous factors indirectly are formed a demotivation initiative for the employee. When the employee spent working in an organization many years and he loose his position in a moment he will be demotivated and his workmates will be demotivated, too. The unorganized work will break down the employee in many aspects and initiate demotivation. The lack of employee rights to move the scale of promotion will be a source of demotivation. The unhealthy context of an organization will built the demotivation response of the employee.

Outside Demotivation Factors

The outside factors are related directly to the inside factors. The outside life components of any employee are dependent on the inside factors of the organization. The level of social life the employee can achieve is built through the employee job. The satisfaction of the position the employee play in one organization is dependent on the ambition of the employee and the position the others achieved sharing him the time of working and the effort giving in work.

The relaxation the employee gets outside the organization created by the organization itself helps him to get satisfaction and improves his performance.

Conclusions

Demotivation can be resulted of many factors inside and outside the organization. The factors inside the organization are related to the financial aspects achieved by the employee. The low income as compared to the effort is considered the principal cause of demotivation. One other important factor cause demotivation is the slow development of the employee inside the organization that lead to demotivation. One more factor is the fear that the employee may get of loosing his job or to be replaced by any other person who has more qualification may lead to demotivation. Outside the organization demotivation factors are summarized through the achievements that one employee can get through his work on the social and life levels. Low achievements lead to demotivation.

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