

Jia Tong

# Employee Motivation Problems and Countermeasures in Chinese Small and Medium Sized Private Enterprises

Helsinki Metropolia University of Applied Sciences

Metropolia Business School

International Business and Logistics

Bachelor's Thesis

December 2013

Author(s) Title	Jia Tong Employee Motivation Problems and Countermeasures in Chinese Small and Medium Sized Private Enterprises
Number of Pages Date	54 pages + 2 appendices 12 December 2013
Degree	Bachelor of Business Administration
Degree Programme	International Business and Logistics
Specialisation option	IBL
Instructor(s)	Daryl Chapman, Lecturer
<p>As business competition among enterprises sharply increases, many small and medium-sized Chinese private enterprises which were thought to have great prospects were pushed out of the market. One reason of their failure is that lacking of scientific employee motivation system restricts the development of the business. Employee motivation, as an important business method, has become more and more important in the enterprises modern management system. An effective employee motivation system can inspire employee morale, improve employee productivity, enhance the product quality and create the cohesion of the enterprises. However, in small and medium-sized Chinese private enterprises, many existing problems, the problem of the enterprises, the problems of the managers, the setting problems of employee motivation system, the problems of payment system and the problems of performance evaluation system, bring negative impacts on the effective implementation of employee motivation system. These negative impacts eventually harm the development of the enterprises because of the serious condition of talent drain, the low productivity and high layoff rate. To solve these problems, the managers should strive to improve their professional quality, create an organizational culture, apply diversified motivation methods, pay attention to employee training and career management, use a complete set of benefits services, implement effective communication channel, establish an equitable payment system as well as build good performance evaluation system.</p>	
Keywords	Employee Motivation, Chinese small and medium-sized Private Enterprises

## Contents

Abstract

List of Figures and Tables

1	Introduction	1
1.1	Background of the Thesis	1
1.2	Research Problem and the Objective of the Study	1
1.3	Methodology and Methods	2
1.4	The Structure of the Thesis	3
2	Basic concepts of employee motivation	4
2.1	Definition of employee motivation	4
2.2	The importance of employee motivation	4
2.3	Early theories of motivation	5
2.3.1	Hierarchy of Needs Theory	5
2.3.2	Theory X and Theory Y	6
2.3.3	Two-Factor Theory	7
2.4	Contemporary theories of motivation	8
2.4.1	Cognitive Evaluation Theory	8
2.4.2	Goal-Setting Theory	9
2.4.3	Self-Efficacy Theory	10
2.4.4	Equity Theory	10
2.4.5	Expectancy Theory	12
2.4.6	Intrinsic Motivation Theory	12
3	Empirical study	15
3.1	Reliability and Validity	15
3.2	Research Findings	16
3.3	Limitation of the study	32
4	Problems of Employee Motivation System	33
4.1	The problem of the enterprises	33
4.1.1	The size of the enterprises	33
4.1.2	The autocratic management style	33

4.2	The problems of the managers	34
4.2.1	Lack of impeccable human resource management concepts	34
4.2.2	Put subjective ideas in the appraisal process	35
4.3	The setting problems of employee motivation system	35
4.3.1	Employ a single motivation method	35
4.3.2	Is not based on actual needs of employees	37
4.3.3	Exclude long-term incentive policies	37
4.3.4	Set unclear or ineffective standards	38
4.3.5	Ignore the factor of timeliness	38
4.4	The problems of payment system	39
4.5	The problems of performance evaluation system	39
5	Countermeasures	41
5.1	Make sure the system is motivated	41
5.2	Improve the professional quality of the managers	41
5.3	Create an organizational culture	42
5.4	Apply diversified motivation methods	43
5.5	Pay attention to employee training and career management	43
5.6	Use a complete set of benefit services	45
5.7	Implement effective communication channel	47
5.8	Establish an equitable payment system	48
5.9	Build good performance evaluation system	49
6	Conclusion	50
	References	52
	Appendices	
	Appendix 1. Questionnaire of Employee Motivation System	
	Appendix 2. Chinese version of Questionnaire	

**List of Figures and Tables**

Figure 1: Maslow's Hierarchy of Needs.	5
Figure 2: The inverted pyramid of Maslow's Hierarchy of Needs.	6
Figure 3. How employees know their enterprises employee motivation system.	17
Figure 4. How often paid vacation used as employee motivation policy.	20
Figure 5. The opinions on special contribution award.	21
Figure 6. The extent of employee participation in management.	22
Figure 7. How much autonomy employees have.	23
Figure 8. The frequency of praise the employees got.	24
Figure 9. The frequency of challenging task appointed to employees.	25
Figure 10. The role of communication in employees' eyes.	26
Figure 11. How employees think the payment system.	28
Figure 12. Employees' opinion on the performance evaluation system.	29
Figure 13. The connection between employee motivation system and employee personal needs.	31
Table 1. The employee motivation policies small and medium-sized Chinese private enterprises have.	18
Table 2. The payment elements in small and medium-sized Chinese private enterprises.	19

Table 3. The basis for payment in small and medium-sized Chinese private enterprises.	19
Table 4. The item employees care most in workplace.	26
Table 5. The reasons why respondents stay at the current enterprises.	27
Table 6. Employees' stratification level of the working environment.	30

# **1 Introduction**

## **1.1 Background of the Thesis**

Human resource management refers to the process of managing people in organizations as effectively and efficiently as possible for the good of employees, the organization and the society. The basic functions of human resource management are planning, organizing, staffing, leading and controlling. In recent years more and more organizations have become aware of the importance of human resource management in China as well as in other countries. Human resource management not only promotes the development of management theory, but also helps organizations to improve their development capacity. The development capacity is generated mainly because by managing people effectively and efficiently a good working atmosphere can be created that can lead to an increase in employee productivity.

It is obvious that in today's competitive market environment, human resource has become one of the primary resources for business development. Motivating an employee successfully has become one of the core catalysts for human resource competition. In Chinese private enterprises, the number of high-skilled and high-talented employees is very small, the employee productivity is very low, the brain drain situation is very serious and the degree of employee loyalty is very low. For Chinese private enterprises, especially for small and medium-sized ones, it is urgent to consider how to utilize effective and efficient employee motivation policy to attract, encourage and retain employees. However, a large number of state-owned enterprises, even foreign-funded enterprises, attracts and maintains a large number of talents quite well, and keeps employee motivation and productivity in a high level, by implementing effective and efficient employee motivation policies and providing reasonable pay and benefits.

## **1.2 Research Problem and the Objective of the Study**

The main issues discussed in the thesis are the employee motivation problems existing in Chinese small and medium-sized private enterprises. Based on analyzing the data we collected the conclusion what actual problems small and medium-sized Chinese

private enterprises have and how managers can develop some countermeasures to solve those problems will be inferred.

Therefore, the specific research questions we need to answer are as follows:

Do Chinese small and medium-sized private enterprise really have employee motivation policies?

What type of employee motivation policy do Chinese small and medium-sized private enterprises have?

How does an employee motivation policy work?

What are the problems of employee motivation policies?

What kind of improvements can be made to solve the existing problems?

### 1.3 Methodology and Methods

The main method to collect data is a questionnaire. The reason why a questionnaire is used as the data collection tool is that we are out of China and it is not easy for us to contact our targets compared to face-to-face communication. The questionnaire is targeted to people who work for either a private or a state-owned enterprise, yet the main target group is people working in small and medium-sized private enterprises. The comparison between these two groups can help us understand more about what the real situation is and how managers can learn from other's strong points to offset their own weaknesses. There are no limitations either on gender or age. The questionnaire was delivered to the target group by email or via some other social channels such as Weibo and QQ. The number of samples will not be fixed. Because, the more information we collect, the more accurate analysis we will make. However, the minimum number should be at least 100. Otherwise, the reliability of the analysis would be compromised.

As to the questionnaire design, it combines unstructured and structured styles together. For example, some basic information can be picked by closed questions such as "Do you know employee motivation policies in your company? – Yes / No". For exploratory information, the questions will be open-ended like "How do you think your company can improve employee motivation policies?" However, the questionnaire should be

designed based on the target preference. I am Chinese, and according to my understanding of Chinese people, with too many open-ended questions, most Chinese people will leave the questions unanswered and only answer the questions with fixed options. Consequently, in our questionnaire, there might be only one open question which is also the last question in the questionnaire.

#### 1.4 The Structure of the Thesis

This thesis is divided into six parts. Firstly, there is an introduction that briefly indicates the focus of the study, what methods are used and how the thesis is structured. Secondly, it is necessary to consider some theories which support our research topic. This time there are mainly nine theories we will focus on, such as Hierarchy of Needs Theory, Theory X and Theory Y, Cognitive Evaluation Theory and Expectancy Theory. In the meantime, in order to find out what kinds of problems exist in a Chinese private enterprise, we take advantage of the questionnaire. The data collected in the questionnaire will be analyzed by a professional tool SPSS in Chapter 3. In Chapter 4, we will summarize and detail the problems Chinese small and medium private enterprises face. Next the measures for motivating employees in a more effective and efficient way will be reached based on the practical problem analysis and supporting theories in Chapter 5. In the final Chapter 6, the conclusion of this thesis will be described.

## **2 Basic concepts of employee motivation**

### 2.1 Definition of employee motivation

Motivation is defined by Stephen and Timothy as “the process that account for an individual’s intensity, direction, and persistence of effort toward attaining a goal” (Stephen & Timothy, 2010:86). Intensity here means the degree of how hard an employee performs in an organization. And when managers try to motivate employees, they will mainly focus on the part of intensity. Secondly, an organization cannot reach success without a right direction. Therefore, how to organize employees work well towards the organization’s goals is an important issue to be considered. However, employee motivation is an endless process. We cannot say we only motivate the employees who are working in our organization at the moment, and do not care for those who will join our organization later.

Additionally, there is another definition of motivation which is interesting. It states that people are motivated when they want to do something (Adair, 2006:1). For example, some employees who are satisfied with the salary, compensation and work environment, are not willing to do anything else but keep their working styles and the stable performance. But suddenly if the manager offers an opportunity to one of them to be promoted to a higher level position, they will become highly-motivated because of that. In this case, at the first stage, although it is not because the employees themselves want to perform better, the manager sees it and tries to motivate the employees. It is no doubt that the employees are highly motivated after they want to do something, to get that promotion. In general this definition shows us a very essential point that only when employees have their personal needs of something can managers do something to motivate them in a more effective and efficient way.

### 2.2 The importance of employee motivation

According to the findings of 2011 National Business Ethics Survey made by Ethics Resource Center in America, there are five most frequently observed types of misconduct that take place at the workplace: misuse of company time, abusive behavior, company resource abuse, lying to employees and violating company internet

use policies. Among these five, the first frequently happened misconduct is that 33% of employees misuse working time to do something else which is not related to work. This evidence strongly shows that 33% of employees cannot concentrate only on their work during the working time. Compared to their work, something else such as playing computer games or doing on-line shopping is more attractive to them. This kind of a problem exists, hence it is necessary to think how we as managers can motivate our employees in order to solve this problem.

## 2.3 Early theories of motivation

### 2.3.1 Hierarchy of Needs Theory

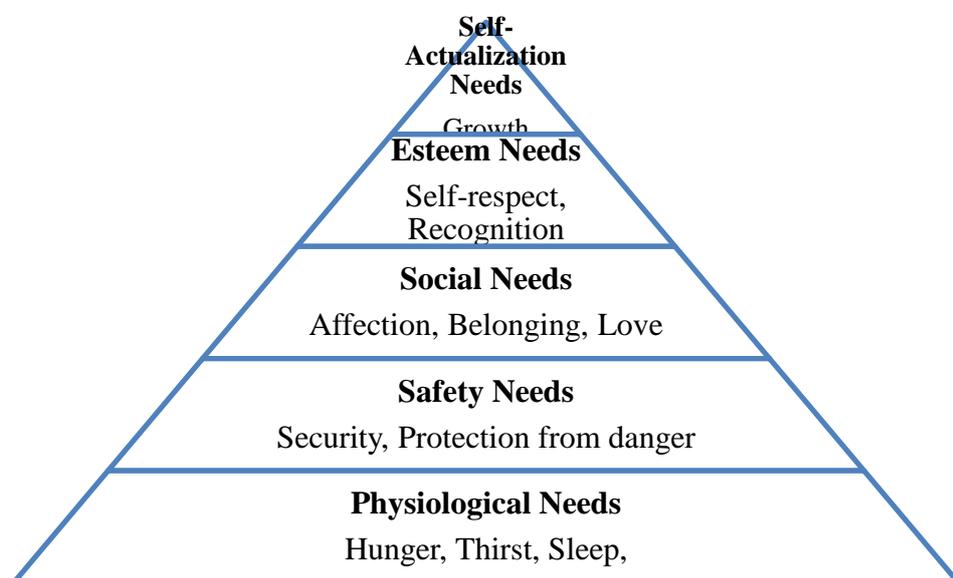


Figure 1, Maslow's Hierarchy of Needs. A.H.Maslow, Motivation and Personality, 1954.

The graph above shows how Maslow, a professional psychologist, classified individual needs into five categories: physiological, safety, social, esteem and self-actualization. Additionally, he organized them into lower and higher orders. Physiological and safety belong to the lower-order needs while the rest three are higher-order needs. There are two principles of Maslow's needs theory. None of the five needs are met unless the primary needs are fulfilled first. Only after one lower need is met, another higher need will emerge. But at that time, although a lower-order need is not fully achieved, it will not be the motivation for action anymore. The higher-order need will replace it as the motivation.

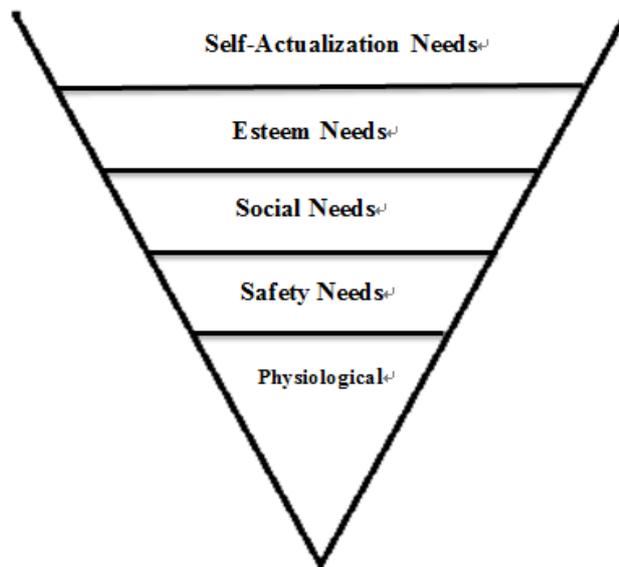


Figure 2, The inverted pyramid of Maslow's Hierarchy of Needs.

However, John Adair (2006:29) argued that the current way of presenting Maslow's hierarchy seems inapplicable. According to him, our higher level needs are on the lower ranges while the lower ones are in the higher ranges. Actually, he said our lower needs, such as physiological needs, are limited. For instance, we are hungry and thirsty but in one day we can only eat and drink a certain amount of food and beverages. On the other hand, he suggested that we should make the top as an open-ended in case we will discover another level of needs beyond self-actualization. In fact, later in his life, Maslow himself proposed another level of need over-actualization, a need appears when a person's mental condition fully meets the need of self-actualization. It is even higher than self-actualization.

Generally speaking, if we want to motivate someone, on the basis of Maslow's hierarchy of needs theory, we must treat each of our employees as a single individual and understand which level each individual is on. No matter what we do, we need to take actions according to their personal needs.

### 2.3.2 Theory X and Theory Y

In Douglas McGregor's (1960) view, there are mainly two types of human beings. Firstly, people who always have a negative attitude do not like work. This group of people are labeled by Theory X. On the contrary, people who always have a positive attitude equal work with rest and play. They are labeled by Theory Y. So basically, it is impossible to motivate employees who are described by Theory X, yet the employees described by Theory Y are easily motivated. Especially, improving employee participation in decision-making, offering challenging tasks and building good group relationships can maximize employee motivation.

However, there is a different opinion about the types of people. In the book "Successful Management by Motivation" by Bruno and Margit (2002:73-76), people are divided into two groups: one is extrinsically motivated and the other is intrinsically motivated. In other words, people are either motivated by some extrinsic incentives such as money or by intrinsic incentives such as personal interest. Income maximizers and status seekers are typical employees motivated by extrinsic incentives. They are only interested in earning money and seeking for higher status compared to other people. Therefore, they will develop their work performance when a higher wage or a higher status is provided by the managers. Loyalists, formalists and autonomists are intrinsically motivated employees. They care more about following the organization's goals, complying to the organization's procedures and achieving his or her personal goals. Consequently, it is difficult to impact these employees by extrinsic incentives; instead if we can offer them some incentives such as interesting work, they will be happier.

In a word, no matter if we follow Theory X and Theory Y or the concepts mentioned in the book by Bruno and Margit, it is important to notice our employees' personalities and which types they are then use different methods to motivate them accordingly.

### 2.3.3 Two-Factor Theory

In 1959, Frederick Herzberg launched a research which investigated the relationships between employees' attitudes toward work and success or failure in his book named "The Motivation to Work". Through this research, Herzberg coined a theory which is named two-factor theory, also called the motivation-hygiene theory.

There are three points here that we need to pay attention to. First of all, Herzberg clarified that the opposite of "satisfaction" is "no satisfaction" and not "dissatisfaction". Following the same logic, the opposite of "dissatisfaction" is "no dissatisfaction" and not "satisfaction". Moreover, Herzberg explained that the factors which will increase job satisfaction are independent of those that increase job dissatisfaction. For example, working environment can increase both job satisfaction and job dissatisfaction. But only good working environment can increase job satisfaction, it will not increase job dissatisfaction. Bad working environment can increase job dissatisfaction, not job satisfaction. So the nature and condition of working environment are independent and distinct. As a result, we should know that if we want to eliminate the factors which lead to job dissatisfaction it may work but we cannot hope them to motivate employees concurrently. In addition, Herzberg classified some factors that surround the jobs like supervision as hygiene factors. Hygiene factors will create neither job satisfaction nor job dissatisfaction. Some other factors that are connected to the work itself or outcomes driven from it, like personal development, are described as motivation factors. From the name of these factors, we can easily understand that motivation factors can help us to increase job satisfaction.

## 2.4 Contemporary theories of motivation

### 2.4.1 Cognitive Evaluation Theory

The main idea of cognitive evaluation theory totally differs from the two-factor theory explained earlier. It claims that there is an interaction between extrinsic and intrinsic incentives. The more extrinsic incentives are put into stimulating employee performance, the more intrinsic incentives are reduced (Stephen & Timothy, 2010:91). Let us say, you are a top car salesman because you are interested in being a salesman. You can attribute your performance to an intrinsic motivation. However, in order to increase the total sale, your manager decides to link your payment to the number of cars you sell. Consequently, the more cars you sell, the more you get. Now everyone in your company can become motivated by this extrinsic motivation since everybody wants to be paid more than before, including you. Now you are motivated by how much you can get rather than the work itself.

More specifically, extrinsic incentives include verbal rewards such as praise from others and tangible rewards such as compensation. As a matter of fact, if the employee receives praise from his or her supervisor, it will increase intrinsic motivation as well. So we cannot say when extrinsic incentives are used to stimulate work performance is at the expense of reducing intrinsic incentives. We can only say that both extrinsic and intrinsic incentives have significant impacts on individual performance. Therefore, it is essential to use either extrinsic or intrinsic incentive depended on the different situations.

#### 2.4.2 Goal-Setting Theory

“Intentions to work toward a goal are the major source of work motivation” was announced by Edwin Locke, in the late 1960s (Locke, 1968). He thought a specific goal can be seen as an intrinsic incentive when it is accepted. Try to recall your memory. At school, when the semester nearly ends, your goal is to achieve a high grade for the exam. Once this goal is set up, it tells you what you should do go over what you have learned and how much effort you need to make on it. Usually, if the exam is easy you will not study as hard as you do for a difficult one. At this time, even you are not interested in studying or there is no extrinsic incentive which drives you to study, your goal will push you forward.

On the other hand, difficult goals made by the managers lead us to have a better work performance. Since in order to overcome it, we will focus on it, we will be fully charged since we have to work harder, we must keep our patience on it and our potential talents may be burrowed out which can help us to attain it.

What is more, feedback plays a very important role in this theory. Since we can modify our actions as soon as we get feedback from our employer, which indicates the discrepancies between what we have done and what the employer’s expectancy is.

In general, Edwin Locke suggested the managers need to set specific and difficult goals. And during the implementation period, the managers should offer feedback as much as they can.

### 2.4.3 Self-Efficacy Theory

Under self-efficacy theory (Bandura,1997), it tried to convince everybody that he or she has ability to successfully complete a task, even though the level of self-efficacy is different. People who have higher self-efficacy, will be highly motivated no matter if they face a difficult task or a negative feedback. Since they know even in the last minute they can still make the task done. People who have lower self-efficacy, they will be less motivated or even easily give up when they face a difficult task or a negative feedback. But it is not because those people do not have capability to handle it. It always just because they do not believe themselves can do it smoothly. Hence, how to improve an individual's confidence in successfully completing a task is a big challenge to the managers.

In addition to self-efficacy theory, Albert Bandura also listed four ways that the managers can utilize to increase employee individual self-efficacy:

1. Enactive mastery: Bandura argued that if people did a task successfully before, you will be able to succeed again in the future. The task you have done before should be relative or similar to the task you are completing now. So to gain relevant experience with a task is one method to increase self-confidence.
2. Vicarious modeling: As long as you see someone else in your company doing a task well, you will become more confident as you know it has a possibility to do this task well.
3. Verbal persuasion: If the manager tells you that you are skilled enough to complete the task, you will be more confident. Just as you will be highly motivated when your boss praises you.
4. Arousal: When another employee is assigned to do the task besides you, and she outperforms you, you will be stimulated to do even better than her.

### 2.4.4 Equity Theory

During our life time, it seems to make comparisons with other people is one of our normal habits. We almost compare everything what we can compare with others, such as our work, education level, property etc. As same as in the organization, we often compare our inputs to a job to our outputs from a job. We not only compare ourselves'

input-outcome ratio but also compare input-outcome ratio with relevant others like coworkers. If the ratio between what we put and what we get is equal, we will feel be treated as fair. Otherwise, our equity tension will occur when the ratio is unequal. It will be lucky if the ratio is overrewarded. But if the ratio is underrewarded, anger will be brought. Then we may produce less or produce poor quality products.

As to who will be our comparison target, there are mainly four groups:

1. Self-inside: compare our input-outcome ratio with other employees who have a different position and task inside the current organization. Normally, the managers can use job analysis and job evaluation to reduce the differences between ratios.
2. Other-inside: compare our input-outcome ratio with other employees who have the same or similar job inside the current organization. Normally, the managers can use performance evaluation and incentive pay to reduce the differences between ratios.
3. Self-outside: compare our input-outcome ratio with others who have a different position and task outside the current organization. Normally, the managers can use salary surveys to monitor the differences between ratios.
4. Other-outside: compare our input-outcome ratio with other employees who have the same or similar job outside the current organization. Normally, the managers can use communication and employees' participation to monitor the differences between ratios.

After all people is different from one to another. What we think unfair may be fair in others' eyes. So how to justify fairness in workplace is particular vital. Nowadays the managers do not only emphasize on distributive justice, whether employees perceive fairness of outcome, when we are taking about fairness. Concurrently, organizational justice, procedural justice and interactional justice are taken into the same table as well. Firstly, we need to make effort to guarantee the organizational justice, overall perception of what is fair in workplace, is same to everyone. For example, we should inform each employee that discrimination is unfair. You cannot look down nor do something harmful to others because of their gender or age. If there is somebody got fire because of his or her discrimination behavior, it will not make employees think it is an unfair place to work. Secondly, we need to prove that our procedural justice,

fairness of the process used to determine outcome, is applicable. For example, it is because of you our company gets an extra order from our customer. You put more into the process, it is nature that we offer you an extra reward. Furthermore, we need to put interactional justice, the degree to which one is treated with dignity and respect, in our mind. In particular, as managers when we tell our employee that he or she gets a reward we cannot make them feel we do not respect them. Otherwise, he may think it is unfair since we do not think he is deserved to get that reward. (Stephen & Timothy, 2010: 97-100)

#### 2.4.5 Expectancy Theory

Expectancy theory is another theory we concentrate on. Although the comments people had are ambivalent, some said this theory is idealistic since just a few amount of employees perceive there is a high correlation between performances and rewards, it is still worth grabbing it because it clearly shows us the segments of the workforce can exert low level of effort.

From the perspective of reality, Victor Vroom the founder of expectancy theory corroborated there are three situations on which employees will be motivated. First of all, the employees will not be motivated unless they expect more efforts they put into jobs can bring a good performance appraisal. So for the organizations, they must make their performance appraisal system fair and unbiased. For the managers, they must be able to notice and recognize employees' efforts. Secondly, the employees will not be motivated unless they believe the good performance appraisal can be transported into organizational rewards. So for the organizations, they need to offer some rewards in accord with employees' performance. For the managers, they must be able to accomplish the distribution work so that the employees can easily understand and get organizational rewards. Thirdly, the rewards the employees get from the organizations can satisfy employees' individual needs. So for the organizations, they must offer considerable resources on rewards. For the managers, they must be able to identify employees' individual needs.

#### 2.4.6 Intrinsic Motivation Theory

In the book "Drive: The surprising truth about what motivates us", Pink suggested us that intrinsic motivation --- the third drive, besides biological drive and extrinsic drive, should be used more often by people who want to motivate others. Since intrinsic motivation can motivate people in a long-term way as well as does not have the disadvantages which extrinsic motivation brings.

Pink argued that extrinsic motivation can only impact on people in a short-term way. Even sometimes it does not work at all, as be the case if people do not expect a reward. Meanwhile, extrinsic motivation will narrow our focus and crush our creativity in some degree. Once extrinsic motivation such as financial incentive is offered, people will put their attention to how to attain the incentive successfully rather than how to solve the problem effectively. Our creativity will be hit at the same time. In addition, good behavior may be crowded out by extrinsic motivation. A study which linked blood donation with payment together showed that people who were initially willing to donate their blood did not donate any more after they could get paid for blood donation. The reason why extrinsic motivation did not lead to the desired behavior was that it extinguished people intrinsic desires to do something good. After all, good behavior is not something can be bought by money. Furthermore, addiction is another disadvantage of using extrinsic motivation. Once extrinsic motivation such as financial incentive is offered this time, employees will expect employers to provide extrinsic motivation again and again. Otherwise, they may lose their interests in performing as good as before. But the managers should take actions for the good of organizations. However, endlessly providing extrinsic motivation is not good for organizations.

There are three elements to be addressed, when the managers want to utilize the strategy of intrinsic motivation. First of all, it is autonomy, which is all about what employees want to do, when they want to do it, how they want to do it and whom they want to work with. In an organization, autonomy cannot be given to each employee, particularly in small enterprise. So how to deliver the autonomy to employee and whether to deliver the autonomy to a certain employee are hard tasks for the managers. However, Pink recommended some methods which can help the managers transport autonomy. Involving employees in goal-setting process can make employees to express their own ideas and decide what they want to do. Setting flexible working time can allow employees to do their work when they want. Don't tell employees how

exactly they should do to complete their work can offer employees a chance to find their own ways of working. Asking employees to form a work group with their own preferences can let employees do the work with people they want to work with.

In the second place, it is mastery, a desire of doing better and better at something people really cares. But the managers should notice that there are two distinct views of mastery people usually hold. A group of people think mastery is just an innate entity exists within us, it cannot be increased. Another group of people think oppositely, although mastery may differ from person to person at the beginning it can be increased with efforts. Hence, based on the understanding of employees, how to inspire employees' desires of doing things better rightly is another hard task for the managers.

Finally, it is purpose, the aim of doing something. As the managers, you need to think what the final aim of your work is. As we already discussed early, it should be doing good for the employees, the organization and the society. When the managers try to improve employee productivity through employee motivation, for the sake of the organization, only take advantage of intrinsic motivation can both increase employee productivity and minimize the financial burden on organization.

All in all, with the help of intrinsic motivation, people can control directly on their own lives, develop and expand their abilities and experience a meaningful life.

### **3 Empirical study**

#### **3.1 Reliability and Validity**

The first thing we need to consider before analysing data is reliability and validity of the data collected.

Reliability mainly tells whether the research finding is reliable and to which degree it is reliable. The level of reliability is dependent on the quantity and the quality of the data collected. Usually, the more respondents the researcher has, the more reliable finding the researcher draws. Yet, with limited time and resources, it is rather difficult to get an ideal respondent rate. Additionally, the higher quality data the researcher collects, the higher level of reliability the researcher enhances. In other words, although the researcher holds a small number of samples at hand, if the quality of these samples can be enhanced, it is possible to attain a reliable finding as well.

Double-checking something can be an assistant for verifying the quality of the data collected, since errors may occur during either the data collection process or the data analysis process. For example, misunderstanding between what the researcher asks and what the respondent thinks is typical error. And when the size of samples is quite big, errors may arise during the process of transforming the data into professional data analysis tool. Thus, the researcher needs to ensure that questions involved in a survey should be organized easily for respondent to understand. Instruction can be added for the sake of avoid misunderstanding. And the researcher needs to be extremely careful at each stage during the survey conducting process: planning, preparing, collecting, coding, transforming, analysing and reporting.

In our case, the target population is the number of people who work in either a Chinese state-owned or a small and medium-sized private enterprise, while our main target is people who work in small and medium-sized private enterprises. According to the data collected by National Bureau of Statistics of China, in 2011, there were total 670.4 million employees working in state-owned enterprises and 96.79 million in private enterprises. Let us assume only 50 percent people work in small and medium-sized private enterprises. Our main target population is 48.4 million. If we want to make our research most reliable, we need to get at least 24.2 million respondents back.

But how can we reach them with limited time and without financial support? It is impossible. So we have to admit that compared with the huge amount of target population, the amount of samples we got is really very small. Fortunately, the quality of respondents we got tends to be in a high level. We designed two versions of the questionnaire, one is English and another Chinese. Since most of the Chinese people are not good at English, only the Chinese version is delivered to the respondents. In the meantime, in order to let the respondents understand exactly what we are asking, some instructions are put close to the word or professional jargon that may lead to misunderstanding. I also do my best to be as careful as I can to avoid errors.

Validity means whether the research reaches its objective or not. In another way, validity means whether the respondents are representative enough to help the researcher to achieve his or her research goals. Of course, researcher cannot falsify the data in order to increase the validity of research. However, we do not think our respondents are the most representative ones, for our sample size is not big to back us to say so. But we cannot deny the representativeness of our respondents, for these questionnaires are answered by people who are included in our target population.

### 3.2 Research Findings

Totally, we got 138 respondents, which included 58 respondents from small and medium-sized Chinese private enterprises, 48 from Chinese state-owned enterprises and the rest from other types of Chinese enterprises, either collective enterprises or funded enterprises.

The data of our target group, respondents from state-owned enterprises and small and medium-sized Chinese private enterprises were transferred into SPSS-program. With the help of SPSS, we can easily create tables and charts that both help us to get our findings structured in a better understanding way. In the meantime, some professional tables, namely frequency distribution table and cross table can be also done by SPSS.

The research findings are represented as follows:

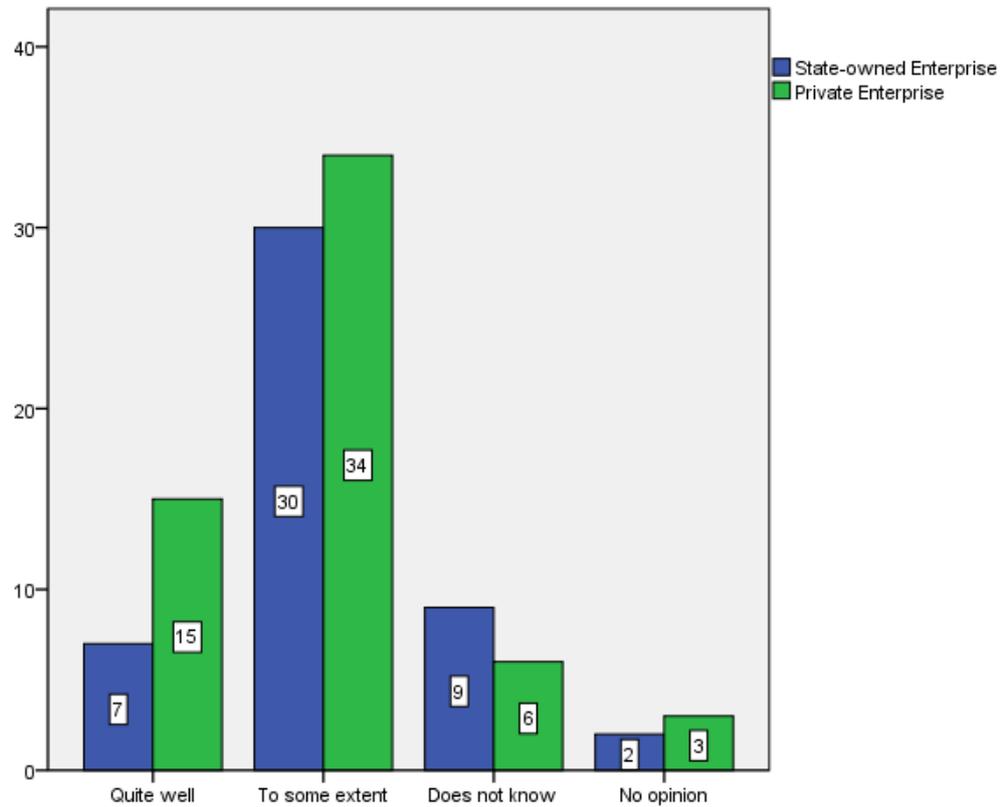


Figure 3. How employees know their enterprises' employee motivation system.

No matter in small and medium-sized Chinese private enterprises or Chinese state-owned enterprises, they all have employee motivation system. There is no respondent answered "Do you know your enterprise employee motivation policies" by picking up the option "Enterprise does not have employee motivation system at all". Just as we assumed, no organization can survive without effective and efficient employee motivation system.

However, only 15 out of 58 respondents from small and medium-sized Chinese private enterprises think they know their companies' employee motivation system well. And it seems that people who know well in their companies' employee motivation system almost stand in a high hierarchy level. Most of respondents from small and medium-sized Chinese private enterprises think they just know their companies' employee motivation system to some extent. 6 employees do not know their companies' employee motivation policies at all and 3 have no opinion on this issue.

As to who is responsible for informing employees their enterprises' employee motivation policies, it must be the human resource managers. Now that it is urgent for small and medium-sized enterprises to maintain its talent and debilitate the serious situation of brain drain, the managers need to frequently inform their employees about enterprises' employee motivation policies. Once employees are preparing for quitting the enterprises, it is too late to inform your employee how attractive motivation policies the enterprises have.

Table 1. The employee motivation policies small and medium-sized Chinese private enterprises have.

	In small and medium-sized Chinese private enterprises					
	Picked		Non-picked		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Pay reward	40	69.0%	18	31.0%	58	100.0%
Performance Incentive	33	56.9%	25	43.1%	58	100.0%
Time-off-with-pay	18	31.0%	40	69.0%	58	100.0%
Travel Reward	17	29.3%	41	70.7%	58	100.0%
Honor Reward	12	20.7%	46	79.3%	58	100.0%
Promotion Incentive	14	24.1%	44	75.9%	58	100.0%
Participation in Management	10	17.2%	48	82.8%	58	100.0%
Verbal or written Praise	21	36.2%	37	63.8%	58	100.0%
Training Programs	10	17.2%	48	82.8%	58	100.0%

From the cross-table showed above, the most frequent employee motivation policy used in small and medium-sized Chinese private enterprises is pay reward, which is followed by performance incentive. Some other policies, verbal or written praise for instance, the picked rates looks as high as 21 but just stand for 36.2% of the total. So it cannot be added into the group which we perceive used quite often by the enterprises. The last frequently used policies are training programs and participation in management, which have same ratio, 10 out of 58 received these motivations before. No respondent added another kind of employee motivation policy which their enterprises have while is excluded in our options list, since it is 0 picked rate in the option "Other". Basically, we can say that pay reward and performance incentive are the main policies that most of small and medium-sized Chinese private enterprises have. Not enough attention is put into employee training programs and participating in management.

Among these 9 policies, most of them are tangible rewards. Only verbal or written praise and honor reward, these two are intangible rewards. As to the intangible rewards, verbal or written praise is ranked as the 3<sup>rd</sup> and honor reward is ranked as the 7<sup>th</sup> popular employee motivation policies used in small and medium-sized Chinese private enterprises. But according to another saying, 8 out of 9 policies belong to extrinsic motivation while only one, participation in management with 17.2% picked rate, belongs to intrinsic motivation. And most of these extrinsic motivation methods are more popular than intrinsic motivation. None organization employs all 9 policies because none respondent chose all 9 options at once.

Table 2. The payment elements in small and medium-sized Chinese private enterprises.

	In small and medium-sized Chinese private enterprises					
	Picked		Non-picked		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Fixed Payment	52	89.7%	6	10.3%	58	100.0%
Compensations	29	50.0%	29	50.0%	58	100.0%
Bonus	15	25.9%	43	74.1%	58	100.0%
Performance Salary	39	67.2%	19	32.8%	58	100.0%
Social Insurance	30	51.7%	28	48.3%	58	100.0%
Other	4	6.9%	54	93.1%	58	100.0%

For these 58 employees, who work in small and medium-sized Chinese private enterprises, the basic four elements of their payments are fixed payment, performance salary, social insurance and compensations. What surprised us is that there are as high as 48.3% of employees who do not receive social insurance as their basic payment. As to other payment elements, such as bonus and other like coupon, the fraction of them is really small.

Table 3. The basis for payment in small and medium-sized Chinese private enterprises.

	in small and medium-sized Chinese private enterprises					
	Picked		Non-picked		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Working time	18	31.0%	40	69.0%	58	100.0%
Individual performance	33	56.9%	25	43.1%	58	100.0%
Impression	19	32.8%	39	67.2%	58	100.0%
Integrated assessment	31	53.4%	27	46.6%	58	100.0%

Other	5	8.6%	53	91.4%	58	100.0%
-------	---	------	----	-------	----	--------

Individual performance is one of the most important factors which determine the payment in small and medium-sized Chinese private enterprises, for 56.9% respondents chose this basis. On the other hand, small and medium-sized Chinese private enterprises also utilize integrated assessment as payment determination, with 53.4% picked rate. Impression seems also as a basis which influences the payment with 32.8% picked rate, it mainly refers to the work attitude and work enthusiasm here.

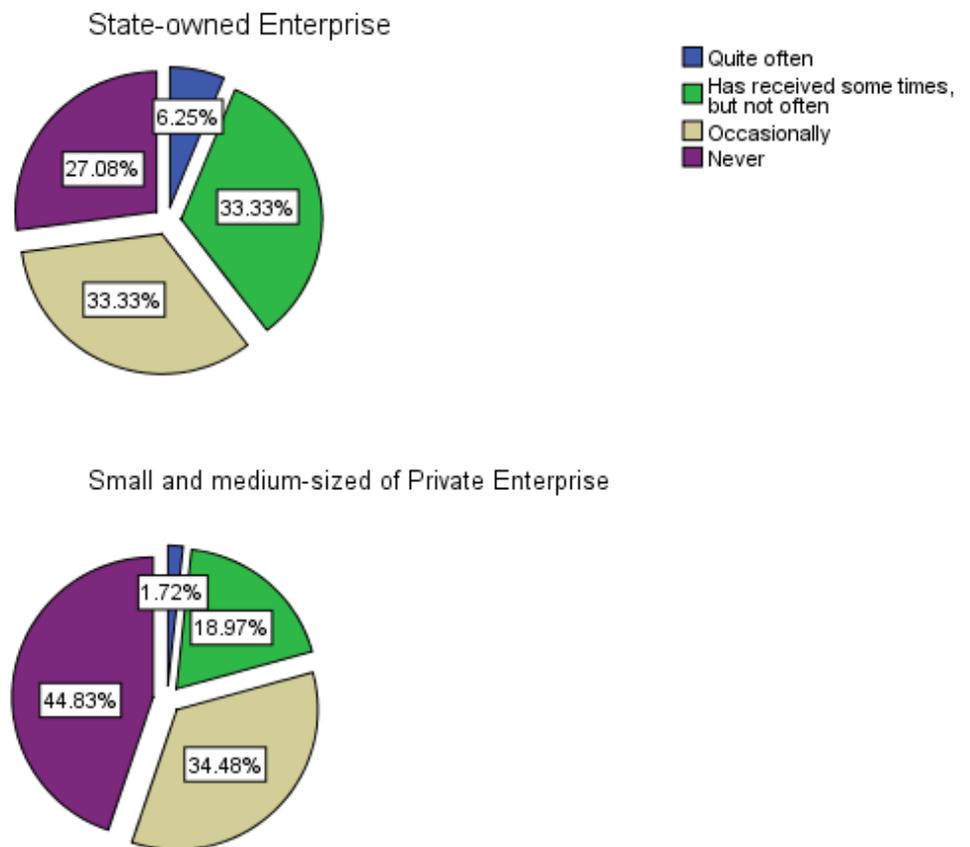


Figure 4. How often paid vacation used as employee motivation policy.

1.72% of respondents receive paid vacation pretty often. 18.97% of respondents receive paid vacation some times. 34.48% of respondents receive paid vacation occasionally. Most of respondents, 44.83% has never received paid vacation. So it is clear that in small and medium-sized Chinese private enterprises paid vacation is seldom used as employee motivation policy.

However, compared with the data of Chinese state-owned enterprises, the paid vacation is used more often in Chinese state-owned enterprises. 6.25% of respondents receive paid vacation pretty often. 33.33% of respondents receive paid vacation some times. 33.33% of respondents receive paid vacation occasionally. Just a small group, 27.08% has never received paid vacation.

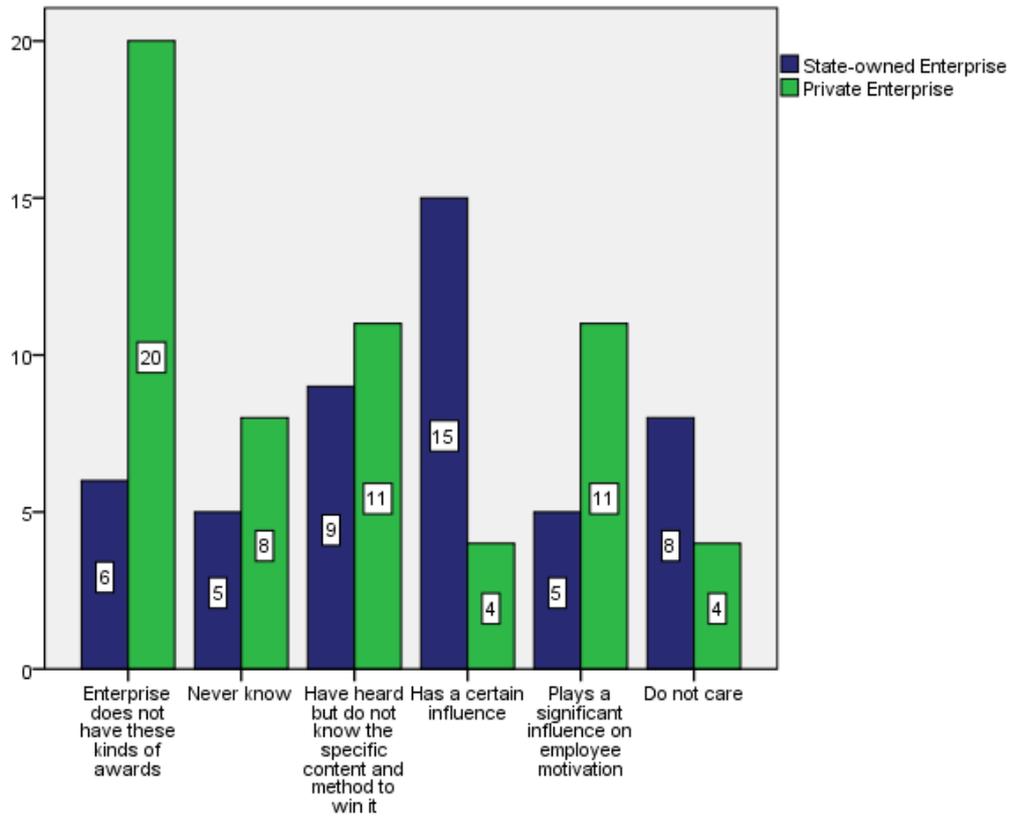


Figure 5. The opinions on special contribution award.

15 out of 58 respondents admit that special contribution award, such as significant achievement award and technology innovation award, plays a certain influence on employee motivation, even 11 of them think it plays a significant role, but around 1/3 respondents' small and medium-sized Chinese private enterprises do not have this kind of award. Only 1/8 respondents' state-owned enterprises do not have. From this point, we can say Chinese state-owned enterprises do a better job here. And now that employees already give their approval to this award, it is a workable policy to raise morale.

The reason why enterprises set up this kind of award is just as simple as to reward

employees who perform quite well in enterprises, of course not. The enterprises want to motivate more employees to perform better by setting excellent employee examples and telling the story about them. So in these enterprises which set up this award, it is necessary to tell their employees loudly about this award and the content and process of application. Only employees knowing it can be motivated by it. However, as a matter of fact, some employees when they were filling this questionnaire, they just noticed their enterprises have this award. And 11 out of 58 small and medium-sized Chinese private enterprises' employees and 9 out of 48 Chinese state-owned enterprises' employees have heard something about this award before, but do not know the details about it.

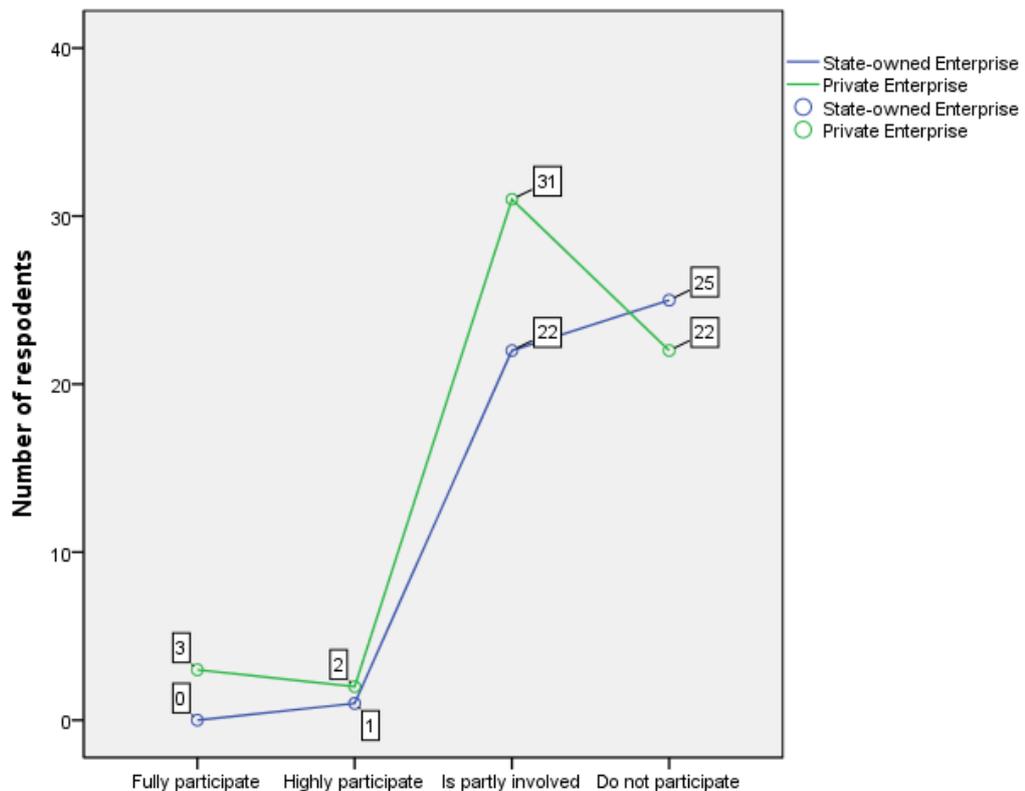


Figure 6. The extent of employee participation in management.

In these small and medium-sized Chinese private enterprises, where our 58 respondents work, less than 1/12 respondents are fully or highly participating in management. However, why they are highly involved in management is just because they are managers. As to the normal employee, most of them are partly involved in management participation, 31 out of 58. The rest 22 do not have right to participate in management.

In the Chinese state-owned enterprises, where our 48 respondents work, just 1/48 respondent is highly participating in management. 22 out of 48 are partly involved in management participation and the rest 25 do not participate at all. From the perspective of these numbers, it looks like the extent of employee participation in management in small and medium-sized Chinese private enterprises is higher than Chinese state-owned enterprises. But here we need to take one factor into consideration that is in a fewer amount of employees hired in one organization, higher possibility being involved it is.

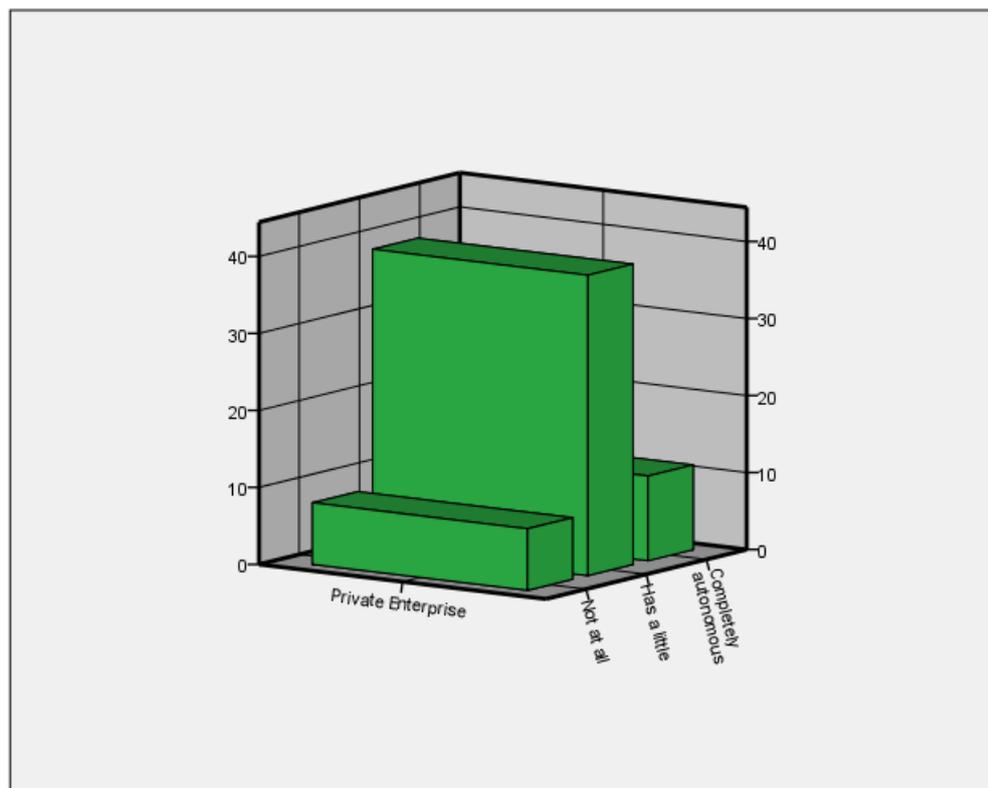


Figure 7. How much autonomy employees have.

Nearly 1/5 respondents are completely autonomous in small and medium-sized Chinese private enterprises. It means they are fully self-controlled what they want to do, when they want to do, how they want to do and whom they want to work with. More than 3/5 respondents have a little autonomy at hand. For them, they are not that free compared to the totally self-controlled group. They are partly self-controlled on the four issues mentioned above. Less than 1/5 respondents do not have autonomy at all. The tasks, the working time, the method and even the group are fixed to them by the

managers. They just need to follow the order and implement the work. No personal ideas and advices are accepted.

The situation trends to be positive. After all, the majority group somehow can decide something at work by themselves, although most of them are not fully autonomous.

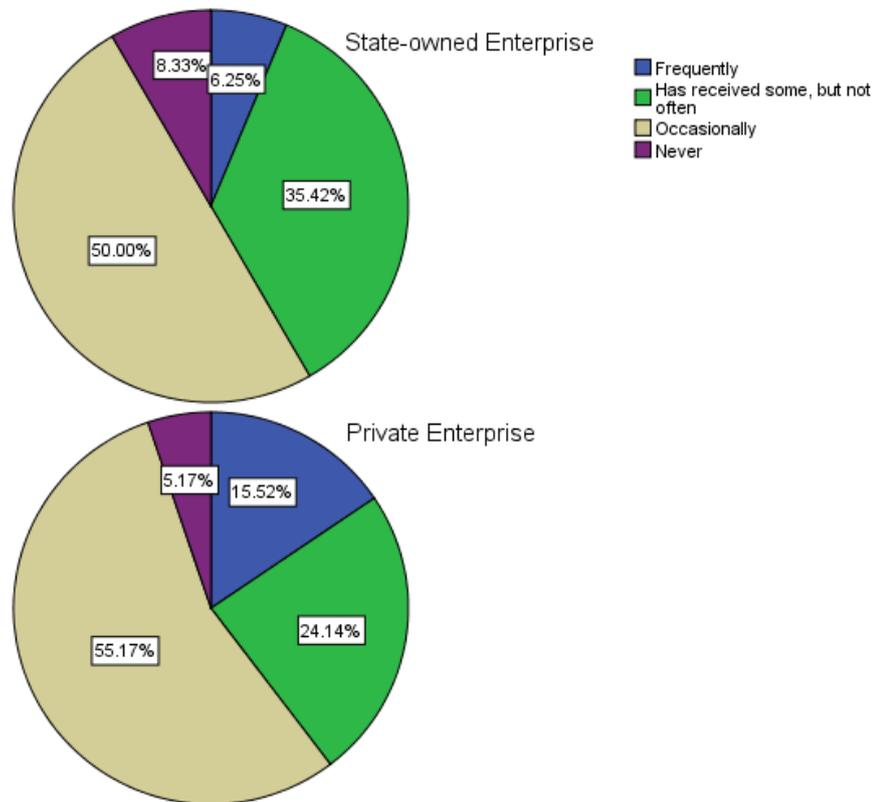


Figure 8. The frequency of praise the employees got.

For respondents who work in small and medium-sized Chinese private enterprises, most of them 55.17% receive praises from their bosses occasionally. 24.14% of respondents receive some praises but not often. 15.52% receive praises frequently. The minority 5.17% have never received praises. It seems the situation is better than we thought, even better than the condition of Chinese state-owned enterprises. For the fraction of respondents who receive praises frequently in Chinese state-owned enterprises is 9.27% less than it in small and medium-size Chinese private enterprises. So do other items. Although the situation is better than forecasted, we cannot conclude that the frequency of praises employees got in small and medium-sized Chinese private enterprises is high enough. After all, the majority group receive praises occasionally. The frequency is just once a month, even once a year.

Here we need to think for a while. The cost of praise is nothing and the managers only need to use several seconds to praise one employee but why they do not praise their employees more often than they do now. Is the answer just simple as they do not notice the impact of praise or they totally ignore the impact of spiritual incentive?

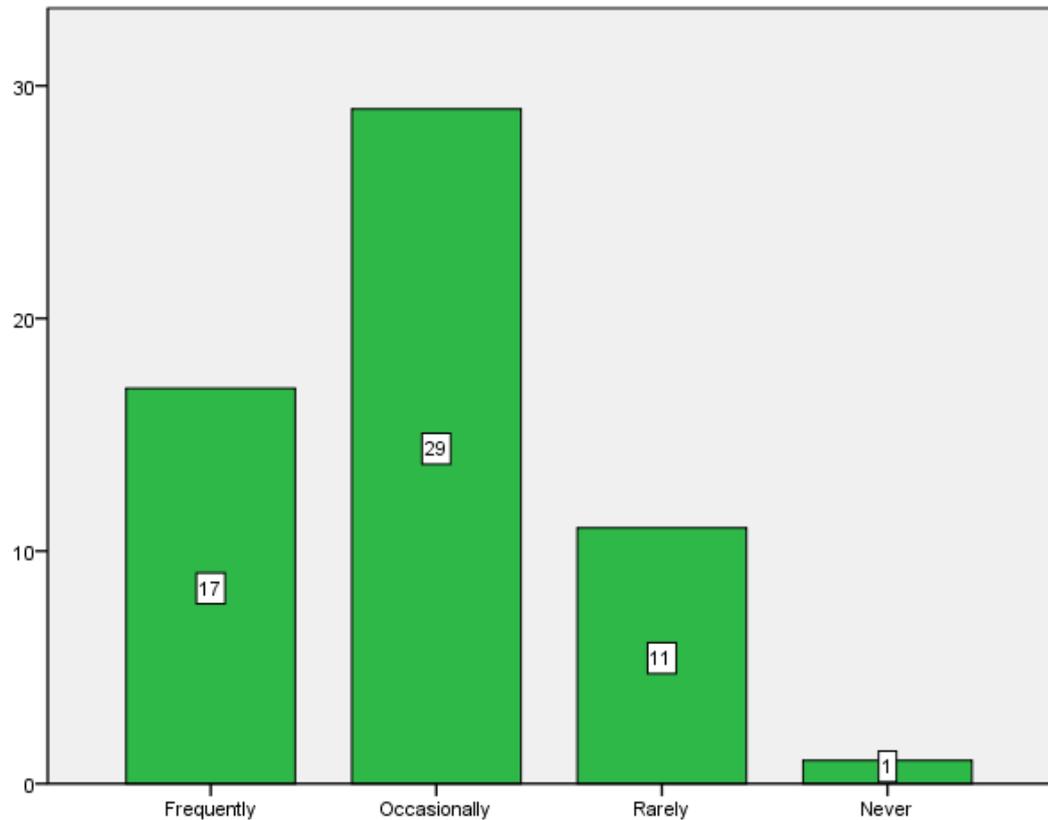


Figure 9. The frequency of challenging task appointed to employees.

As to how often a respondent is appointed to do challenging tasks, 17 out of 58 respondents are selected to implement challenging tasks frequently. The managers occasionally appoint 29 respondents to conduct challenging tasks. 11 respondents rarely get challenging tasks to handle. And only 1 respondent has never been appointed to do a challenging task.

If you are doing the unchanged and easy task every day, are you highly motivated? We are not and we believe it also makes you feel boring. So it is important to small and medium-sized Chinese private enterprises to change the content of task a little bit. Sometimes, just a small change can change a lot.

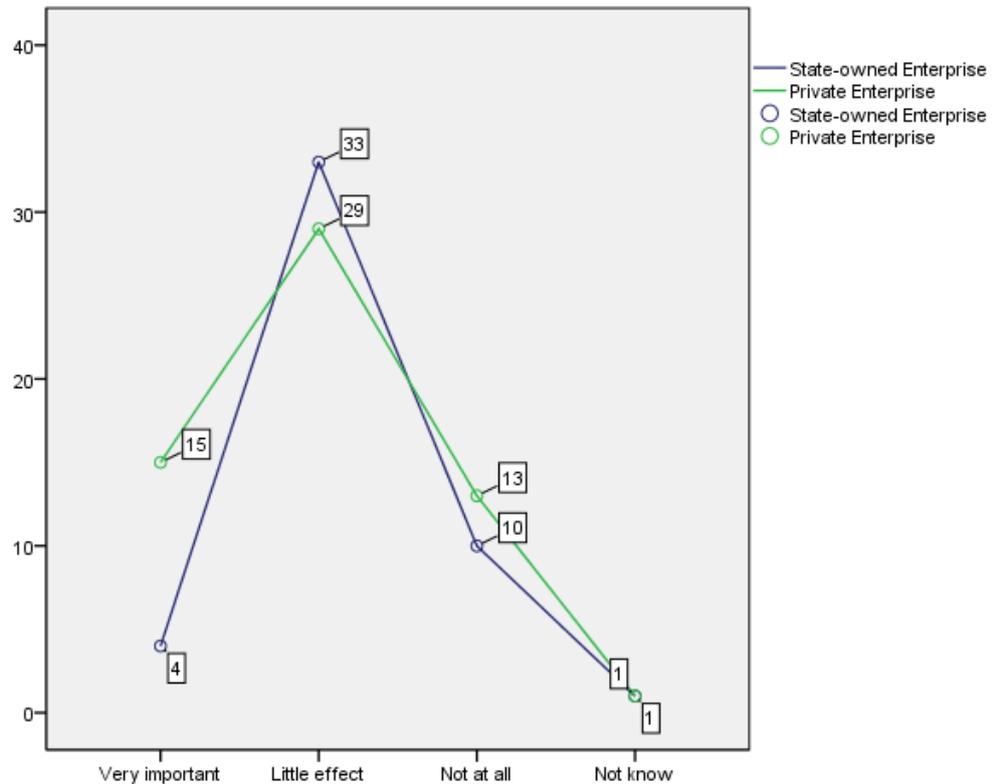


Figure 10. The role of communication in employees' eyes.

In small and medium-sized Chinese private enterprises, 15 out of 58 respondents accept communication has a very essential impact on employee motivation. 29 out of 58, the majority accept communication has little effect. 13 give negative answers, accepting communication does not impact at all and 1 respondent does not show opinion on this issue. In Chinese state-owned enterprises, 4 out of 48 respondents accept communication has a very essential impact on employee motivation. 33 out of 48, the majority accept communication has little effect. 10 give negative answers, accepting communication does not impact at all and 1 respondent does not show opinion on this issue.

Table 4. The item employees care most in workplace.

In small and medium-sized Chinese private enterprises					
		Payment	Social network and acceptance	Sense of being respected	Self-actualization
Num	Picked times	43	33	32	35

ber	Non-picked times	15	25	26	23
-----	------------------	----	----	----	----

Payment is the most concerned item for 43 out of 58 respondents from small and medium-sized Chinese private enterprises. Self-actualization is the second most concerned item followed payment, 35 out of 58 cares about it. Social network and acceptance with 1 picked rate higher than sense of being respected, becomes the third most concerned item.

According to Maslow's Hierarchy of Needs Theory, payment is the lowest needs among these four items. And 43 respondents, more than 74% respondents picked it which indicates that the most basic need of employees actually is not highly fulfilled, although it is fulfilled somehow. In other words, the managers must recognize these 43 employees are still standing on the lowest level of individual needs and take actions accordingly to satisfy employees so that employees' emotion can be inspired. 35 respondents picked self-actualization which tells the managers to concern employee intrinsic needs and thoughts, which can be met by either extrinsic motivation or intrinsic motivation methods such as offering employee personal development program or delegating power to employees to decide what they want to do. As to the respondents who care more about social needs and esteem needs, what the enterprises can do to help employees to fulfill these needs is to create appropriate working environment.

Table 5. The reasons why respondents stay at the current enterprises.

	in small and medium-sized Chinese private enterprises					
	Picked		Non-picked		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
Reasonable payment and benefits	27	46.6%	31	53.4%	58	100.0%
Job stability	20	34.5%	38	65.5%	58	100.0%
Good interpersonal relationships	20	34.5%	38	65.5%	58	100.0%
Human-based management	15	25.9%	43	74.1%	58	100.0%
Personal career management opportunities	12	20.7%	46	79.3%	58	100.0%
Can learn useful knowledge and	31	53.4%	27	46.6%	58	100.0%

experience						
Loyalty	9	15.5%	49	84.5%	58	100.0%

Based on the data showed in the table, we can easily draw the conclusion that most of our respondents choose to stay at the enterprises simply because they perceive they can learn useful knowledge and get more experience. 27 out of 58 respondents perceive they get reasonable payment and benefits while more than half of them do not think so. 20 respondents perceive the job stability and the good interpersonal relationships attract them to stay. 15 respondents perceive the management style of their enterprises is human-oriented, 74.1% of total respondents are not willing to name their enterprises' management styles are human-oriented. 12 respondents perceive enterprises pay enough attention to employee personal career management while 46 respondents are not offered this opportunity. Only 9 respondents will not leave their enterprises due to their loyalty.

These negative numbers here call us to think some questions. Are the enterprises' payment systems appropriate? Is there something wrong with management system? Do the enterprises notice the necessity and importance of employee career management? Why the employee loyalty is so low? As long as the managers find the correct answers to these questions, the negative feedback will turn into positive.

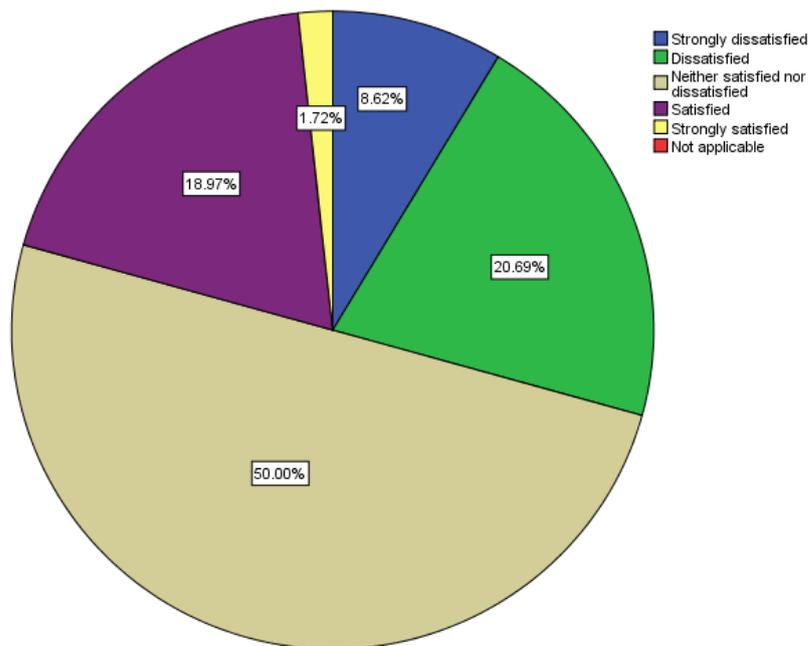


Figure 11. How employees think the payment system.

The payment systems of small and medium-sized Chinese private enterprises are extremely desirable to 1.72% of the total 58 respondents. Another 18.97% of the respondents view the payment system as acceptable. 50% the half of the total respondents is neither satisfied nor dissatisfied with payment system. To 20.69% of the respondents, the payment system is unsatisfactory. And 8.62% of the respondents concern the payment system as unacceptable. In a word, around 30% of the respondents are not paid as they think they are deserved to get. For them, employee motivation system is none of their business since the efforts they put into the jobs cannot bring a good payment.

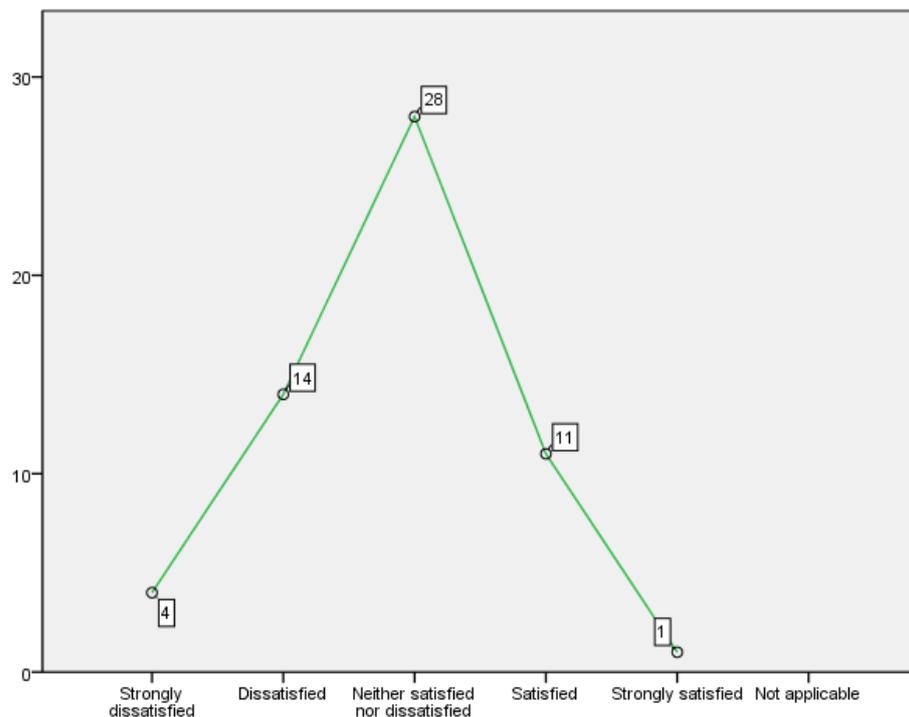


Figure 12. Employees' opinion on the performance evaluation system.

From the line chart above, we can easily figure out the thoughts of our respondents about their enterprises' performance evaluation system. 1 out of 58 respondents strongly satisfy with it. 11 out of 58 respondents are satisfied. The biggest number group is neither satisfied nor dissatisfied. 14 respondents are dissatisfied and 4 strongly dissatisfied. The cited statistics figures here can help us to deduce that the overall grade, our respondents gave to the performance evaluation system, is negative. It is because that the number of respondents who gave the negative opinion is 6 more

than the number of respondents who gave the positive opinion. So from another side, it is unavoidable make us to doubt the effectiveness of performance evaluation system.

Table 6. Employees' stratification level of the working environment

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly dissatisfied	5	8.6	8.6	8.6
Dissatisfied	11	19.0	19.0	27.6
Neither satisfied nor dissatisfied	27	46.6	46.6	74.1
Satisfied	13	22.4	22.4	96.6
Strongly satisfied	2	3.4	3.4	100.0
Total	58	100.0	100.0	

46.6% respondents are neither satisfied nor dissatisfied with the current working environment. The majority group thinks the current working environment is neither good nor bad. For them, it is unnecessary to make changes in working environment. Yet, it does not mean changes made in working environment will not change their attitudes. Good changes will increase their satisfaction while bad changes will increase their dissatisfaction. Totally 27.6% respondents are dissatisfied with the current working environment, especially 8.6% are strongly dissatisfied. For them, the working environment needs to be improved somehow. Otherwise, they will feel uncomfortable and discouraged working in such ill condition. However, the improved working environment cannot motivate them. Since the improved working environment can only eliminate their dissatisfaction. Totally 25.8% respondents are satisfied with the current working environment, only 3.4% are strongly satisfied. For them, through improving working environment to motivate them seems ineffective either.

However, although improving condition of working environment do not have motivate effects on the basis of two-factor theory, as the managers we are still required to create a good working environment for employees. The reason is that only the most basic hygiene factors are enhanced, our employees remove their attention into enhance their productivities.

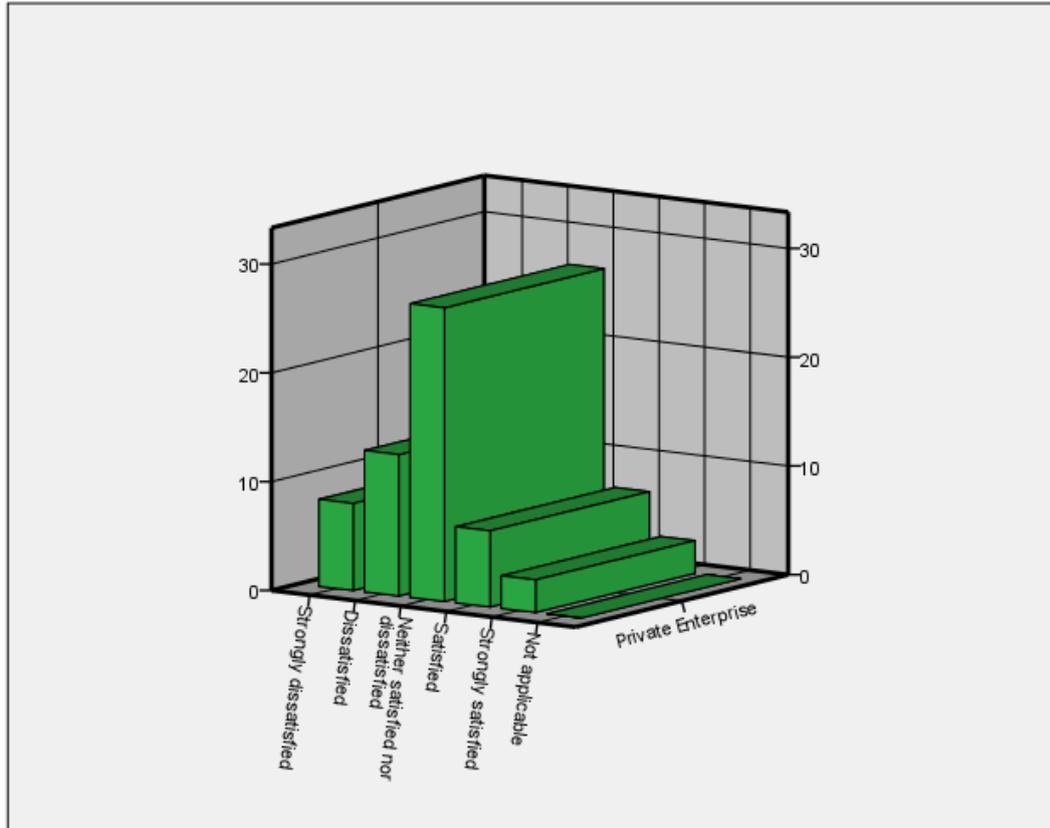


Figure 13. The connection between employee motivation system and employee personal needs.

It is obvious that the majority of respondents are neither satisfied nor dissatisfied, when they were asked to show their opinion on the question “Do you think the enterprise current employee motivation system meets your personal needs”. More than 10 respondents are dissatisfied with their enterprises’ employee motivation system. And there are around 8 respondents are strongly dissatisfied. For the number of people who hold the opposite opinion, they are satisfied or strongly satisfied with their enterprises’ employee motivation system, is totally 10 or so.

So basically, we can reach a conclusion that these small and medium-sized Chinese private enterprises, where our respondents work, their employee motivation system made are not based on their employee individual needs. Their employee motivation polices work either as hygiene factors, which create neither job satisfaction nor job dissatisfaction, or as ineffective motivation factors, which can motivate employees but do not work well.

### 3.3 Limitation of the study

The biggest limitation of this study is the quantity of the samples is inadequate. For people who want to make a deeper analysis on this issue, employee motivation problems and countermeasures in Chinese small and medium-sized private enterprises, it is better to collect more data from the target group.

A high respondent rate is generated by getting support from the governmental institutions. Otherwise it is impossible for individual researcher to reach more than 24.2 million respondents. A more effective control in the questionnaire delivery process would help to enhance the respondent rate. If the questionnaire is only sent to employees, who work in either state-owned enterprises or private enterprises, more valid data will be gathered. But since we are out of China and we transported the questionnaire through internet, we did not do well in controlling the delivery process.

## **4 Problems of Employee Motivation System**

Based on the data analysis in the former chapter and extra information and data collected by others related to this topic, we summarize what problems small and medium-sized Chinese private enterprises have in employee motivation area in this chapter. We can go to explore this issue from the perspectives of the enterprises, the managers, the employee motivation system, the payment system and the performance evaluation system. Each of them brings some destructive impacts on motivation system.

### 4.1 The problem of the enterprises

#### 4.1.1 The size of the enterprises

The first reason which narrows the development of human resource management system in small and medium-sized Chinese private enterprises is just because of the size of these enterprises. Unlike state-owned enterprises, which are much richer in financial assets, small and medium-sized private enterprises usually have a small limited amount financial support to improve its human resource management quality. When these enterprises want to cut down its total costs, they usually will start from human resource area. Even in some small and medium-sized Chinese private enterprises, they do not set up human resource department or there is only one employee charging of everything related to human resource. In other words, it is because the enterprises do not pay attention to human resource area, it is natural that employee motivation system has problems.

However, as an employee and human resource manager in small and medium-sized Chinese private enterprises, the size of our enterprises cannot be changed through our effects. Now that it cannot be changed, we need to find something else can be changed through our effects to improve our human resource management quality.

#### 4.1.2 The autocratic management style

In the China Family Business Development Report released by The All-China Federation of Industry and Commerce, it reported that in the end of 2011 over 80% Chinese

private enterprises are family business. Under the family management system, the ownership and management is highly unified. Since many businessmen create their businesses from nothing or venture all they have into their businesses, they must engage people who they trust most and who can share the unknown risk together with them. It leads that family members are highly engaged in the enterprises. As to the employees hired from the outside of the family, they do not trust. They treat outsiders just as people who help their family business to do some chores work. So the work task of outsiders is just to follow the orders from the boss, the boss do not rely on them to make some differences. Therefore, it is difficult to produce a sense of belonging and identity to the employees, under such autocratic management style.

## 4.2 The problems of the managers

### 4.2.1 Lack of impeccable human resource management concepts

It seems in present small and medium-sized Chinese private enterprises, the concept of modern human resource management is still not fully absorbed by the managers. Some of the managers just regard human resource management as a normal day-to-day work, so the managers themselves do not recognize the importance of it, not to mention employee motivation, as well as its impact on the development of enterprises. Some of the managers think that the cost of employee motivation can be saved to reinvest into other areas and departments, for the sake of enterprises, they do not inform what employee motivation the enterprises have to employees. Some of the managers believe that the cost of personnel training is much higher than the new recruitment and that if employees are trained to be more skilled and experienced they are more likely to be attracted by other enterprises. So the managers do not pay attention and are not willing to train employees. Some of the managers do not implement what they promised before, after they successfully recruit new employees. Some of the managers just copy what other enterprises do to motivate employees, without taking their own employees actual needs into consideration. Some of the managers even do not respect employees as a part of the enterprise, instead just think employees as work machine. Some of the managers ignore their employees' reasonable advices and proposals, so not only the employees' desires of participation are greatly dampened but also the effectiveness of employee motivation policies is weakened.

All in all, just because the managers lack of impeccable human resource management concept and strategy, it makes a little difficult to the enterprises to build a scientific and appropriate human resource management system. It is no doubt that as a part of human resource management system, employee motivation system is in trouble due to that as well.

#### 4.2.2 Put subjective ideas in the appraisal process

Under certain circumstances, the managers may lose their rationalities and instead use their subjective ideas to make decision. For instance, as we got in the previous chapter impression sometimes act as a determination of payment in some small and medium-sized Chinese private enterprises. But how can the managers evaluate and measure the impression? The productivity of employee A is high while because his social network is not as high as his productivity, he always has some conflicts with other colleagues. Employee B has good interpersonal relationship with his colleagues while his productivity is not as high as employee A. Which employee is labelled as good in manager's eyes, employee A or B, both or neither? After all, it depends on the managers' subjective ideas. For the managers, who care of employee productivity, they will classify employee A who makes a good impression. For the managers, who pay more attention to team's cohesive force, they will categorize employee B who leaves a good impression.

Under certain circumstances, when standard cannot be measured by scientific method, during the appraisal process, the managers may put their subjective ideas in. As to the employees whose payments are determined by the managers' subjective ideas, they will feel unfair or anger while not motivated.

### 4.3 The setting problems of employee motivation system

#### 4.3.1 Employ a single motivation method

In small and medium-sized Chinese private enterprises, some managers contemplate that when employees do a good job what you can do to motivate them is to provide financial compensations, when employees perform not that good what you can do to punish them is to deduct their pecuniary compensations. So the true value of

motivation is combined with money. Only money can help you to touch your goal, no matter for motivation or punishment. Unsurprisingly, they only use pay reward or performance incentive to motivate employees. Other methods such as travel reward or promotion incentive are not taken into consideration.

According to our research findings, the most of employee motivation polices used in small and medium-sized Chinese private enterprises are tangible financial rewards such as pay reward and performance incentive. As to intangible non-financial rewards, such as participation in management and honor reward, are rarely used. At here, we are not going to distinguish the advantages and disadvantages of financial and non-financial motivation then discuss which one is better. Here the main point is that from the views of the managers, the personality of employees and which type the employees are do not matter, just blindly using financial motivation can inspire everyone.

Nevertheless, for some employees, who are highly intrinsic and spiritual motivated. They are not induced by financial motivation, so blindly driving them by financial incentive work nothing to them. Whereas, once what is in the deep of their heart, the spiritual things are urged they will be totally different. In some cases, it is not compulsory to use financial incentive while the managers will unconditionally use financial incentive. For instance, you get an extra order from a loyalty customer. What you expect is just a piece of praise from your boss, since according to your enterprise's performance appraisal system the extra order can just contribute a small amount of money reward to your performance incentive. Yet when your boss reply "What you have done will be counted to your performance payment", you feel disappointed since your boss think what you have done is not a big issue, worth to being praised.

But each employee is a single individual and each individual has a different personality. Although some of them may only mind money, some of them must do not only mind money. Just as some respondents claimed in the last question, do you have any other opinion about your enterprise employee motivation system, it is necessary to utilize different motivation methods besides financial motivation to encourage different individual.

#### 4.3.2 Is not based on actual needs of employees

No matter the definition of motivation or the Hierarchy of needs theory suggests us only we as the managers detect what our employees need and want can we motivate them in an effective way. So one principle we need to always keep our employees' actual needs in mind when we formulate employee motivation policy. However, the ideal is the ideal, the reality is the reality. The managers in small and medium-sized Chinese private enterprises do not follow this principle all the time. That is one of the reasons what cause these small and medium-sized Chinese private do not have appropriate and effective employee motivation system.

Additionally, lacking of effective communication between the managers and the employees leads to the broadening gap between the ideal and the reality. Because of lacking of effective communication between the upper and lower levels, not only many employees' constructive proposals often could not get enough attention from the managers, but also many employees' actual needs could not be expressed correctly to the managers. At the same time, due to lacking of effective communication, the managers cannot properly assess the results of employee motivation policies sometimes. In return, the tiny effects of employee motivation policies are created.

#### 4.3.3 Exclude long-term incentive policies

Employee motivation is an ongoing process. We cannot just focus on today while we need to link today's action to tomorrow's opportunity.

According to the intrinsic motivation theory discussed in the theory chapter, we know that extrinsic motivation can only inspire employees in a short-term run. And most of small and medium-sized Chinese private enterprises trends to prefer more extrinsic motivation methods than intrinsic motivation methods, regardless intrinsic motivation can impact on employees in a long-term run.

In addition, both employee training program and career management can convert a long-term influence on employee motivation. But most of small and medium-sized Chinese private enterprises are not willing to invest in these two fields. No matter what

reasons cause this reluctant emotion, it is because this reluctant emotion which may cause a high layoff rate.

On the other hand, social insurance, which requires employers to pay a certain percentage of premiums for each employee working in the enterprises, is enforced through Chinese national legislation. Unexpectedly, some employees working in small and medium-sized Chinese private enterprises are not paid for social insurance. Inadequate social benefits obliterate employee emotional connections to the enterprises without any doubt.

#### 4.3.4 Set unclear or ineffective standards

The effectiveness of motivation system can be reduced by the unclear or ineffective standards, which determine whether an employee is qualified to acquire a reward and what type of reward an employee can acquire. For small and medium-sized Chinese private enterprises that set up special contribution reward, do they clarify clearly about the standards? Probably not, if they really did, most of our respondents would be familiar with the specific content and the standards to win it. Without correct knowing and understanding of the motivation methods, you cannot rely on them to motivate employees correctly and effectively.

For small and medium-sized Chinese private enterprises, some of them set high standards which are unreasonable. If there is only 30% chances to successfully accomplish a goal and do not get this goal done does not damagingly influence the normal payment and performance appraisal, not many employees are willing to invest their time to conquer it. Now that nobody can get a reward, it makes sense that the effectiveness of motivation is weak.

#### 4.3.5 Ignore the factor of timeliness

In employee motivation, the timeliness means you should motivate your employee timely when they are needed to be encouraged. When either the productivity or the quality of work is low, it is time to motivate your employee. When employees catch a difficult goal effectively, it is time to motivate them, especially you promise your employees as soon as they succeed you will reward them. If you do not do as your

promise, for next time, your employee will not be as highly motivated as this time. Instead, they will lose heart or reduce their productivity when they face a difficult goal, since they know extra efforts cannot bring them anything good. Even though you make a promise again, your employee will not trust you as they did last time. As a matter of fact, in some small and medium-sized Chinese private enterprises, the managers ignore the factor of timeliness. Some of our respondents did not get what the managers promised and some got what the managers promised when our respondents totally forgot why they can get that reward.

#### 4.4 The problems of payment system

Currently, there are still many problems in payment system of small and medium-sized Chinese private enterprises. Firstly, the determination of payment is arbitrary and subjective. The payment sometimes is calculated based on either the preference of the managers or the relationship with the managers. The industry payment standard, the job and the employee competency do not matter. Without any doubt, many employees get inequity treatment which increases the job dissatisfaction and badly impacts on employee motivation system. On the other hand, some small and medium-sized Chinese private enterprises do not pay their employees on time. Although in the work contract, it clearly indicates that the payment should be delivered once a month. Sometimes, the managers will give various excuses to fall into arrears with employee payment. Furthermore, some small and medium-sized Chinese private enterprises will not adjust payment level according to government policy. Of course, the imperfect government regulatory system makes the enterprises have a chance to do that.

#### 4.5 The problems of performance evaluation system

Our respondents marked their enterprises' performance as negative. There must be some potential problems which cause such consequence. In the first place, unclear standard is one of the most common causes of ineffective performance evaluation system. In small and medium-sized Chinese private enterprises, the managers usually evaluate employee performance from three factors, quality of work performance, quantity of work and integrity. But it is difficult to define what good performance is.

Without clear standards, good or bad is all controlled by the managers' personal ideas. So it probably results in an ineffective evaluation.

Secondly, halo effect is defined by professional Edward Thorndike in an empirical research. It is as a problem may occur during the performance appraisal when a general impression of manager influences on rating of specific trait. For example, Mr A is an employee who just holds moderate productivity while he always has conflicts with other co-workers. As a manager, you may mark him as an unfriendly employee on all traits, rather than just for the trait "whether employee gets along with others". Mr B is another employee in the same enterprise, whose productivity is high while he always has conflicts with other co-worker as well. As a manager, you may mark him as a productive employee on all traits, rather than just for the trait "whether employee is productive".

Moreover, in some small and medium-sized Chinese private enterprises, in order to protect the enterprises' profits, the managers may rate all employees the same way. Central tendency (Dessler 200: 356), for instance, a trend that the managers avoid giving highest rate and lowest rate and rate all employees all average. In this way, the enterprises can save money in promotion, salary, or rewards.

## 5 Countermeasures

### 5.1 Make sure the system is motivated

As the system-maker, if you yourself cannot be motivated by the system you make, it will have the same result for somebody else. So before putting the system into effect, you as the managers should make sure that the system is motivational to yourself. You are also a part of the enterprise, your personal needs are comparable to other people working in the same enterprises. So you can be the first person to test the rationality and the effectiveness of the system.

What you need to check are:

- Whether the policies are formulated based on your personal needs?
- Whether the policies are attractive to you?
- Whether the policies are easy for you to understand?
- Whether the standards set are clear and effective?
- Whether both short-term and long-term influence can be refreshed?

After the system is put into effort, as the managers you need to make sure the system is on the right track. In other words, you need to find out whether there are some factors which guide the system into a non-motivated path. For examples, employee A is actually more qualified to get a reward, but you have to choose employee B since the top managers ask you to do so. An ineffective communication hinders the distribution of relative information regarding employee motivation policy.

### 5.2 Improve the professional quality of the managers

Action Domain	Skills: A manager must have competence in
Establish a human-oriented human resource management concept	<ul style="list-style-type: none"> <li>○ Know and understand modern human resource management theories and concepts</li> <li>○ Master different strategies regarding to employee motivation area</li> <li>○ Implement different human resource management strategies</li> <li>○ Recognize the true roles and the needs of employees</li> <li>○ Treat each employee as a single individual</li> <li>○ Lead, encourage and guide employees</li> </ul>

---

Capitalise on capability	○ instead of force them
Engage employees	○ Assist employees to develop and apply their talents and abilities to do productive and creative work
	○ Create challenging or creative work
	○ Involve employees in decision making process
Improve individual self-efficacy	○ Empower employees
	○ Set specific and difficult goal which can lead an increase in individual confidence
	○ Utilize proper methods to increase individual self-efficacy
Inspire meaning	○ Help employees to find a sense of meaning or the value which can create an emotional connection to the company in the work they do
Manage careers	○ Provide support for employees career management
	○ Give timely and accurate performance feedback
	○ Be actively in career management discussions with subordinates
Implement strategy	○ Link today's action to tomorrow's opportunities
	○ Set realistic goals

---

### 5.3 Create an organizational culture

To create an organizational culture actually can help the organizations to create a motivating environment. Organizational culture which represents the values, beliefs, goals, working styles and the ways of thinking of the whole organization, plays a significant role no matter on the operation or the management of an organization.

Organizational culture can foster a sense of identity and belonging, by disseminating the accepted values and beliefs of the organization, so that although employees come from different places can share a same dream. Organizational culture can stimulate a sense of responsibility, by spreading the missions and goals of the organization, so that all employees can work toward the same direction. Organizational culture can create a sense of honor, by building mutual trust and interdependence relationship between the employees and the organizations, so that everyone in the organization can try his best to contribute more.

#### 5.4 Apply diversified motivation methods

An effective motivation system focus on not only the basic physiological and safety needs of employees but also the higher social, esteem and self-actualization needs of employees. That is to say, besides financial compensations such as pay reward and performance incentive, some other non-financial motivation methods such as travel reward and promotion incentive should be included in the list and used more often than the enterprises do now.

In the meantime, the enterprises can try to motivate employee by redesigning the content of the job or the factors connected to the job. Job rotation can motivate employees by switching the employees to do different jobs over a certain period, since it offers the employees a chance to learn more skills and knowledge. This chance at least for employees who desire to learn more is motivated. Job enlargement can motivate employees by enlarging the scope of the job through extending the range of its job duties and responsibilities, since it makes the employees feel that they are valuable for the enterprises. Job enrichment can motivate employees by enriching the autonomy the employees hold, since it allows the employees to control their own jobs by themselves. As well as, the employees can be motivated by offering challenging job.

On the other hand, the enterprises can try to alter work arrangements to motivate employees. For examples, flexible work schedule can motivate employees by making the employees to decide when they want to do. Dress as you please can motivate employees by creating a comfortable and relaxed working environment.

#### 5.5 Pay attention to employee training and career management

With the development of economy, more and more advanced ideas and technologies have been invented. No matter the enterprises or the employees, if they do not replenish new knowledge and skills timely and continually, they will be excluded by the market. Hence, it is urgent for the enterprises to train employees to master more. The enterprises first need to identify that employee training does not benefit only the employees themselves but also the enterprises. Then the enterprises will be willing to invest in employee training.

For the enterprises, there are many tangible advantages of employee training, besides the intangible benefit employee motivation.

- Improve the quality: employee training can enhance a correct and better understanding of the product and service an employee is handling. A correct and better understanding of what you are doing makes you half-way to success, since it can help to improve the quality of product and service. Improved quality of product and service can support the enterprises to acquire more profits.
- Better productivity: employee training is the process that teaches new or present employees the basic skills they need to complete their jobs. After training them successfully, they can apply the skills to produce the product or service more easily. The difficulties they met during the production process can be overcome as well through training. A smoothly production process can help the enterprises to get more profits by increasing productivity.
- Less supervision: employees already learned almost what they supposed to learn in the training section. They can do their jobs alone without any extra supervision. Then it can reduce the cost of supervision to some degree, at the same time supervisors can donate their time on their own jobs without any interruption.
- Better recruitment and employee retention: through the training process, the enterprises have a chance to find out the most suitable employee who can perform well in their jobs and who have potential talent to do well. Then the enterprises can recruit and retain them in the enterprises. As to the employees who are not suitable to the enterprises, the enterprises cannot recruit them in.
- Meet the changes in the business: training is a continuous process. To train the employees about how to deal with the changes in business is one of the purposes of employee training.

However, the differences in education and occupations make the employees differ from one to another. So in order to achieve the desired training effects, the enterprises must organize employee training according to different occupations, different educational level and individual differences. This requires the enterprises use a flexible training methods to train diverse employees, such as on-the-job training, apprenticeship training, informal learning, job instruction training, lectures, programmed learning, stimulated training, computer-based training, and audiovisual-based training.

As to career management (Dessler, 2008: 378), it is the process that aids employees in better understanding and developing knowledge and skills regarding to their careers, and in how to apply these knowledge and skills more effectively. Career planning and career development are the two sub-processes under the whole career management process. Career planning is defined as the process which enables employees to be more aware of their individual knowledge, skills, interests, values and strengths; supports employees to get information about career opportunities and choices; helps employees to classify goals related to careers; and assist employee to launch action plans to achieve specific goals. Career development regards as a lifelong series of activities which back an employee's career investigation, establishment, success and implement.

It is obvious that employees their alone cannot implement all activities regarding to career management. Compared with experienced and skilled managers, the employees are not that strong to support themselves to manage careers, especially for new graduates. They need the helps from the managers and the employers. What the managers and the employers can do is to support, help and guide employees to match personal knowledge, skills, interests, values and strengths with a feasible career. It requires the managers and the employers to do: give timely and accurate work performance feedback, be actively in career management consultation with subordinates, link employee training to career management, establish career information and career programs, provide academic learning program and offer a diversity of career paths.

#### 5.6 Use a complete set of benefit services

Benefits, which are indirect financial and non-financial payments the enterprises offer for maintaining employment with the employees, include things such as pay for time not worked, insurance, retirement and family-friendly benefits.

Pay for time not worked benefits include the benefits an employee can receive during the time-off period. Firstly, unemployment insurance provides the benefits when someone is unable to work. Since the 22th of January 1999, according to the Unemployment Insurance Regulation published by the State Council, each Chinese

private enterprise has been required to offer unemployment insurance for each employee. Secondly, vacations and holidays are also included in the common time-off-with-pay period. In China, based on the Paid-Vacations Regulation published by the State Council, an employee can get annual 5 days after 1 year of service, 10 days after 10 years of service, and 15 days after 20 years of service. The number of paid holidays is normally 26 days. The common paid holidays include New Year's Day, Spring Festival, Qing Ming Festival, Labor Day, Mid-Autumn Festival and Independence Day. Thirdly, when the employees are out of work due to illness, the enterprises are also obligatory to provide relatively pay. Under the Labor Law of the People's Republic of China, sick pay can be paid less than the local minimum wage standard, yet not less than 80% of the minimum wage. Moreover, parental leave is another important benefit. In your enterprise, there must be some women employees and some of women employees will become pregnant during the work lives. Under the Labor Law of the People's Republic of China, women employee can receive at least 90 days of parental leave, men employee can receive at least 10 days. Meanwhile, the employees have the right to return to their previous position with equivalent pay at the end of the leave.

In China, according to the Labor Law of the People's Republic of China, the enterprises are required to provide five social insurances to each employee. They are retirement insurance, health insurance, unemployment insurance, injury insurance and maternity insurance. Although the amount of premium varies from province to province city to city, based on the Labor Law of the People's Republic of China, total premium of these five insurance the enterprises paid should be at least 47.3% of the individual salary.

Employees can get retirement benefits when they reach a predetermined retirement age or they can no longer work due to disability. In China, the enterprises are required to provide mainly two types of retirement benefits: retirement insurance and pension plans. Retirement insurance is paid by the enterprises as soon as an employee starts his or her work life in the enterprises, but it is paid to employees monthly after retiring. And the pension plans provide a fixed sum of money the employees can get immediately when they reach the predetermined retirement age. The amount of money depends on how long an individual works. For example, employee who works as long as 35 years before retiring will get more than employee just works 20 years.

Family-friendly benefits, such as child-care assistance and elder-care assistance, are not forced to provide for the enterprises by the government. But if our small and medium-sized Chinese private enterprises can provide these types of benefits properly, the employees will be less likely to be absent even they have a sick child or elderly at home. And when they work, they do not need to worry that much about their sick child or elderly since there is someone who helps them to take care of the sick.

### 5.7 Implement effective communication channel

An effective communication channel can transmit a flow of information, such as the goals and the policies of an organization, from the higher to lower level in a right way. An effective communication channel can offer a chance to the lower level employees' voice to be heard by the higher level managers. An effective communication channel can help the employees in the same level to share the information and make them fully aware of organization expect from them and what upcoming changes take place in the organization.

Implementing an effective communication channel asks the managers to choose different communication channel based on the different situation. However, nowadays it is a hard task for the managers to choose the best communication channel in the workplace. With the development of economy and technology, more and more communication channels have been available over the last two decade. There are many new communication channels such as video conference, voice mail and faxes. But in general, three main groups of communication channels the managers can implement.

- Formal communication channels: refer to the communication channels that are based on a hierarchy structure of the organization and that distribute information in an organized way. A business plan, annual reports and official speeches are typical formal communication channels. All of them are generally communicated in prescribed templates and according to a set of schedule.
- Informal communication channels: refer to the communication channels that disrupt the chain of command and that distribute information in unorganized way. Small group meetings and face-to-face communication are typical informal

communication channels. All of them are generally communicated in a relaxed atmosphere and without the barrier of hierarchy command.

- Unofficial communication channels: refer to the communication channels by which the gossip and rumors are distrusted and which involve only a portion of the organization. Social gathering among employees is typical example of unofficial communication channel.

## 5.8 Establish an equitable payment system

In order to establish an equitable payment system, the enterprises should follow the industry payment standards, reflect the value of the job and respect the employee competency.

Following the industry payment standards can be enhanced by conducting a salary survey, a survey which indicates specific wage rates for specific jobs by providing what others are paying. In other words, the enterprises can know what other enterprises pay for comparable jobs to certify external equity and the industry payment standards.

Secondly, job evaluation can help the enterprises to reflect the value of the job by relatively comparing one job to another. When the enterprises determine the relative value of the job, the basic principle of job evaluation should be addressed. In the book "Strategic Compensation", Martocchio pointed out that the basic principle of job evaluation is that the greater qualifications, more responsibilities and more complex job duties are required by a job the more value the job have. After the relative value of a job is determined, the enterprises should put similar jobs into pay grades and price each pay grade. It means the enterprises should classify similar jobs by assigning pay rates to each individual job and categorize each individual job by pricing each pay grade with wage curves. A wage curve shows the relationship between the value of the job and average payment the enterprises pay to the job.

Meanwhile, it is acceptable as an equitable payment that the enterprises to pay based on the employee competency for compensating some professional jobs. Gerald Ledford (1995: 56) clarified competency-based pay is to pay for the employee's range, depth and types of skills and knowledge and not for the job title the employees hold.

Finally, a high quality and high efficiency regulatory system can support the enterprises to enhance the equity of payment system, as well as to avoid other types of problems such as not deliver the payment on time and not adjust the payment level according to the government policy. The government must make efforts on improving the quality and efficiency of the national regulatory system as well.

#### 5.9 Build good performance evaluation system

There are many methods which the managers can use to avoid appraisal problems. To begin with, the managers can learn and understand what the potential problems may occur and their solutions. Knowing the problems can help you to find ways to avoid them. Secondly, using right appraisal tool, such as graphic rating scale forced distribution method and critical incident method, is another way. Although each appraisal tool has its own advantages and disadvantages, it is possible to find the one which is the most suitable to your enterprise. On the other hand, an effective performance evaluation can be conducted through controlling the outside influences like union pressure and time constraints. Without the outside influences, the managers can just focus on the work performance of the employees to assess them. In addition, the managers can attend training program be more professional in evaluation area. Halo effect and central tendency errors can be fully eliminated through managers training. What is more, the enterprises can involve not only the managers but also somebody else to take part in the appraisal process. For example, the enterprises can ask peers to evaluate their co-workers. The enterprises can set up a rating committee. The enterprises can also require the employees to evaluate themselves.

## 6 Conclusion

Most of small and medium-sized Chinese private enterprises have employee motivation system. Yet, it seems the effects of the current employee motivation systems do not achieve a desired level, since there are many existing problems which hinder the effective implementation of employee motivation systems.

The size of small and medium Chinese private enterprises makes the enterprises have limited financial support to run employee motivation system effectively. The autocratic management style originally creates an unfriendly motivating environment. The outdated mind of the managers, who charge of human resource management but lack of impeccable modern human resource management concepts and strategies, leads the inefficiency of the whole human resource management system in which employee motivation system involved. The managers may put subjective ideas into the appraisal process that brings the sense of unfair or anger rather than motivated. Employing a single motivation method, usually blindly using a single financial motivation method, does not work for varied employees. The employee motivation system is not based on the actual needs of employees. Excluding long-term incentive policies, such as employee training career management and social insurance, obliterate employee emotional connections to the enterprises. Unclear or ineffective standards make none employee can get any reward, not to mention employee can be motivated by getting extra reward. Do not timely and immediately offer the reward causes the employees lose their trusts in employers' promises. The arbitrary payment determination increases job dissatisfaction and badly impacts on employee motivation. Do not pay the employees on time or do not follow the government policy to adjust payment level hurts the employee hearts. The errors occur in performance appraisals process influences the effectiveness of employee motivation system as well.

Although the size of the enterprises cannot be changed through our effects, as the managers we can concentrate on other areas which can be changed through our effects to solve the existing problems of employee motivation system. We can make sure whether the system is motivational before carrying it out and during the implementation process. We can improve our professional quality to avoid the problems caused by us. We can create an organizational culture which originally

creates a motivating environment. We can apply diversified motivation methods, such as offering non-financial reward, redesigning the job and altering work arrangements, to motivate diversified employees. We can train our employees and help them to manage careers to stimulate long-term motivation. We can use a complete set of benefits services to attract and maintain the employees. We can implement effective communication channel to make our employees know the enterprises better as well as make ourselves to know our employees better. We can establish an equitable payment system to enhance the equitable treatment for each employee. We can build good performance evaluation system to assess our employees more accurately.

However, as we mentioned again and again, due to time and resources limitations, this study cannot be applied to a more specific analysis on this topic. But full efforts have been invested, I sincerely hope to some degree my thesis can help small and medium-sized private enterprise to run a more effective employee motivation system.

## References

Adair, J. 2006 Leadership and Motivation: The fifty-fifty rule and the eight key principles of motivating others. Great Britain: Creative Print and Design.

Bandura, A. (1997) Self-Efficacy: The Exercise of Control. New York: Freeman.

Bruno, S. Margit (2002) Successful Management by Motivation: Balancing Intrinsic and Extrinsic Motivation. Germany: Springer-Verlag Berlin-Heidelberg

Deci (1975) Intrinsic Motivation. New York: Plenum.

Dessler(2008) Human Resource Management. New Jersey: Prentice Hall.

Ethics Resource Center, 2011 National Business Ethics Survey. [Online] Available at: <http://www.ethics.org/nbes/files/FinalNBES-web.pdf>, accessed at 22 September 2013.

Geng HongYan (2004). "Human Resource Management Problems and Countermeasures", Economics Forum 2004 (17).

Gerald Ledford Jr. (1995) "Paying for the Skills, Knowledge, and Competencies of Knowledge Workers", Compensation and Benefits Review.

Guan PeiLan (2000) The Correlation between the Employee Motivation and Human Resource Development. Shanghai: Shanghai Scientific Publisher.

Herzberg, F. Mausner B. and Snyderman, B.B. (1959) The Motivation to Work. New York: John Wiley.

Locke (1968) "Toward a Theory of Task Motivation and Incentives" Organizational Behaviour and Human Performance.

Martocchio (1998) Strategic Compensation: A Human Resource Management Approach. Prentice Hall College Div.

Maslow, A.H. (1954) Motivation and Personality. New York: Harper and Brothers.

McGregor, D. (1960) *The Human Side of Enterprise*. New York: McGraw.

National Bureau of Statistics of China, National Data. [Online] Available at: <<http://data.stats.gov.cn/workspace/index?m=hgnd>> ,accessed at 13 November 2013.

Peng JianFeng (2003) *Introduction to Human Resource Management*. Shanghai: Fudan University.

People's Daily Online (2011) "Perpetuating the Chinese family business". [Online] Available at: <<http://english.peopledaily.com.cn/90778/7678996.html>> ,accessed at 20 November 2013.

Pink, D.H. (2011) *Drive: The Surprising Truth about What Motivate Us*. Edinburgh: Canongate.

Ramlall (2004) "A Review of Employee Motivation Theories and their Implications for Employee Retention within Organizations", the Journal of American Academy of Business.

Stephen, P. Timothy, A. (2010) *Essentials of Organizational Behavior*, 10<sup>th</sup> edition. New Jersey: Prentice Hall.

Symes, S. "What are communication Channels within an Organization?". [Online] Available at: <[http://www.ehow.com/info\\_8517348\\_communication-channels-within-organization.html](http://www.ehow.com/info_8517348_communication-channels-within-organization.html)> , accessed at 03 December 2013.

Sutton and Ulrich (2011) *Asian Leadership: What Works*. Singapore: the McGraw · Hill Companies.

Terpstra and Honoree (2003) "The Relative Importance of External, Internal, Individual, and Procedural Equity to Pay Satisfaction," *Compensation and Benefits Review*.

The Central People's Government of the People's Republic of China, the Unemployment Regulation. [Online] Available at: <[http://www.gov.cn/banshi/2005-08/04/content\\_20258.htm](http://www.gov.cn/banshi/2005-08/04/content_20258.htm)>, accessed at 1 December 2013.

The Central People's Government of the People's Republic of China, the Paid-Vacations Regulation. [Online] Available at: <[http://www.gov.cn/zwgk/2007-12/16/content\\_835228.htm](http://www.gov.cn/zwgk/2007-12/16/content_835228.htm)>, accessed at 1 December 2013.

The Central People's Government of the People's Republic of China, the Labor Law of the People's Republic of China. [Online] Available at: <<http://www.66law.cn/tiaoli/474.aspx>>, accessed at 1 December 2013.

Thorndike, E.L. (1920) "A constant error in psychological ratings", *Journal of Applied Psychology* 4(1): 25-29.

Vroom, V.H. (1965) *Motivation and Management*. New York: American Foundation for Management Research.

Wihelm L. "Formal/Informal Communication Channels". [Online] Available at :< <http://www.expressyourselftosuccess.com/formal-informal-communication-channels/>>, accessed at 03 December 2013.

## Questionnaire of Employee Motivation System

We are trying to find out what kind of problems exist in Chinese Small and Medium sized private enterprise, in employee motivation system area. We are trying to find out the basic countermeasures accordingly. In order to ensure an accurate and scientific study we can get, please fill in according to your actual situation. Thank you very much for taking time to participate in this survey.

1. What is the nature of your enterprise?
    - A State-owned Enterprise
    - B Private Enterprise
    - C Collective Enterprise
    - D Funded Enterprise (Sino-foreign Joint Ventures, Enterprise with Sino-foreign Cooperation, Wholly Foreign-owned Enterprise)
  
  2. What is the scale of your enterprise?
    - A Small Enterprise
    - B Medium Enterprise
    - C Large Enterprise
  
  3. Your job is
- 
4. Do you know your enterprise employee motivation policies?
    - A Quite well
    - B To some extent
    - C Does not know
    - D No opinion
    - E Enterprise does not have employee motivation system at all
  
  5. What motivation policies does your enterprise have? (Can be multiple)
    - A Pay Reward
    - B Performance Incentive
    - C Time-off-with-pay
    - D Travel Reward
    - E Honor Reward
    - F Promotion Incentive
    - G Participation in Management
    - H Verbal or written Praise
    - I Training Programs
    - J Other ( )
  
  6. What is your payment element? (Can be multiple)
    - A Fixed Payment
    - B Compensations (e.g. Housing funding)
    - C Bonus
    - D Performance Salary
    - E Social Insurance
    - F Other ( )

7. What is the basis for payment in your organization? (Can be multiple)
- A Working time
  - B Individual performance
  - C Impression (e.g. work attitude)
  - D Integrated assessment
  - F Other ( )
8. How often do you receive paid vacation or travel as reward?
- A Quite often
  - B Has received some times, but not often
  - C Occasionally
  - D Never
9. What do you think of your enterprise's special contribution award, significant achievement award or technology innovation award?
- A Enterprise does not have these kinds of awards
  - B Never know
  - C Have heard but do not know the specific content and method to win it
  - D Has a certain influence
  - E Plays a significant influence on employee motivation
  - F Do not care
10. Do you participate in enterprise management?
- A Fully participate
  - B Highly participate
  - C Is partly involved
  - D Do not participate
11. Does enterprise give you enough autonomy?
- A Completely autonomous
  - B Has a little
  - C Not at all
12. In daily work, do you often receive praise or encouragement from your boss?
- A Frequently
  - B Has received some, but not often
  - C Occasionally
  - D Never
13. Does your boss often appoint you to complete challenging task?
- A Frequently
  - B Occasionally
  - C Rarely
  - D Never
14. Do you think communication has an important impact on motivation?
- A Very important
  - B Little effect
  - C Not at all

D Not know

15. What do you care the most in workplace? (Can be multiple)

- A Payment
- B Social network and acceptance
- C Sense of being respected
- D Self-actualization

16. What is the reason to stay at your current enterprise? (Can be multiple)

- A Reasonable payment and benefits
- B Job stability
- C Good interpersonal relationships
- D Human-based management
- E Personal career management opportunities
- F Can learn useful knowledge and experience
- G Loyalty

1 --- Strongly satisfied 2--- Satisfied 3 --- Neither satisfied nor dissatisfied

4 --- Dissatisfied 5 --- Strongly dissatisfied 6--- Not applicable

17. How do you think the enterprise payment system?

1	2	3	4	5	6
0	0	0	0	0	0

18. How do you think the enterprise performance evaluation system?

1	2	3	4	5	6
0	0	0	0	0	0

19. How do you think the enterprise working environment?

1	2	3	4	5	6
0	0	0	0	0	0

20. Do you think the enterprise current employee motivation system meets your personal needs?

1	2	3	4	5	6
0	0	0	0	0	0

21. Do you have any other opinion about your enterprise employee motivation system?  
How do you think managers can improve employee motivation system?



- A 工作时间
  - B 个人业绩
  - C 印象 (如工作态度)
  - D 综合考核
  - F 其他 ( )
8. 您经常受到带薪休假或者旅游奖励吗?
- A 经常
  - B 有, 但不多
  - C 偶尔
  - D 从未
9. 您对企业设立的特殊贡献奖、重大成果奖、技术创新奖有什么认识?
- A 企业没有此类奖励
  - B 没听说过
  - C 听说过 但是不知道具体的内容以及争取方法
  - D 有一定影响
  - E 对员工起到很大的激励作用
  - F 不关心
10. 您参与公司管理的程度?
- A 完全参与
  - B 高度参与
  - C 部分参与
  - D 不参与
11. 企业是否给您足够的自主权?
- A 完全自主
  - B 有一点
  - C 一点也没有
12. 日常工作中, 您经常受到表扬与鼓励吗?
- A 经常
  - B 有, 但不多
  - C 偶尔
  - D 从未
13. 您常会被领导委任去完成有挑战性的工作吗?
- A 经常
  - B 偶尔
  - C 很少
  - D 从未
14. 您认为上次的沟通对您有激励作用吗?
- A 非常有作用
  - B 有点作用
  - C 没有

D 不清楚

15. 工作中您最关心的是什么？（可多选）

- A 工薪薪水
- B 社会认同感
- C 被尊重感
- D 自我价值实现（自我追求的实现）

16. 您留在企业的原因是什么？（可多选）

- A 较合理的薪酬福利
- B 工作的稳定性
- C 良好的人际关系
- D 人性化的管理制度
- E 个人的职业发展机会
- F 可以学到很有用的知识和经验
- G 出于多年工作情感的基础

17. 您将怎样评价企业的薪酬制度？

- 1 很不满意
- 2 比较不满意
- 3 一般
- 4 比较满意
- 5 很满意
- 6 没有意见

18. 您将怎样评价企业的绩效评估制度？

- 1 很不满意
- 2 比较不满意
- 3 一般
- 4 比较满意
- 5 很满意
- 6 没有意见

19. 您将怎样评价企业现在的工作环境和条件？

- 1 很不满意
- 2 比较满意
- 3 一般
- 4 比较满意
- 5 很满意
- 6 没有意见

20. 您认为企业现在的员工激励制度是否满足了您的自身需求？

- 1 很不满足
- 2 比较不满足
- 3 一般
- 4 比较满足
- 5 很满足

○ 6 没有意见

21. 您对企业的激励制度有何看法，您觉得管理者应该怎样改善企业员工激励制度中存在的问题？