

 Learning goals

- ✓ Define the four non-financial methods: management style, training, responsibility/promotion, fringe benefits
- ✓ Apply each method to staff at Dominic's Pizza
- ✓ Build chains of reasoning: method → behaviour → business benefit
- ✓ Write a justified 9-mark answer

 Key words

- | | |
|--|---|
| <p>N Non-financial method A way of motivating staff that does not involve money.</p> | <p>R Responsibility Giving staff more duties or decisions to make.</p> |
| <p>M Management style The way a manager leads and treats staff.</p> | <p>F Fringe benefits Non-pay extras, like free meals or flexible hours.</p> |

 What you need to know

Money alone isn't enough. Once staff earn enough, extra pay matters less. Many non-financial methods cost little or nothing, but have a big effect on how valued staff feel — which is key to **retention**.

The four non-financial methods**1 Management style**

How the boss leads — supportive and fair, or strict and distant. Listening, praising and trusting staff makes them feel valued.

2 Training

Building staff skills. It shows the business is investing in them, which builds confidence and loyalty.

3 Responsibility / promotion

Giving staff more duties, or moving them up to a higher role. Staff feel trusted and can see a future.

4 Fringe benefits

Extras beyond pay — free meals, flexible hours, staff discount, birthday off. Make staff feel looked after.

A closer look at management style

Three common styles:

- **autocratic** (the boss makes all the decisions)
- **democratic** (the boss listens and lets staff help decide)
- **laissez-faire** (the boss leaves staff to get on with it)

A democratic style usually makes staff feel valued — but a brand-new starter often needs clearer direction first

Training motivates through a clear chain: the business invests in training → staff feel valued and gain skills → they work with more confidence → quality and productivity rise → staff stay longer.

 Test yourself

Cover the answers below, answer Q36–Q41, then check.

Q36 What is a non-financial method of motivation?

Q37 Give one example of a non-financial method of motivation.

Q38 How can training motivate employees?

Q39 Why can increased responsibility motivate employees?

Q40 What are fringe benefits?

Q41 Why do businesses use both financial and non-financial motivation?

ANSWERS

A36 A way of motivating employees that does not involve money.

A37 Training, promotion, responsibility, or management style.

A38 It develops skills and shows investment in staff.

A39 It increases job satisfaction and trust.

A40 Non-pay benefits such as company cars or flexible working.

A41 To meet different employee needs and improve long-term performance.