

A STUDY ON MOTIVATION AND ITS IMPACTS ON EMPLOYEES' PERFORMANCE SPECIAL REFERENCE TOMANUFACTURING INDUSTRY

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ABSTRACT

The most challenging activity in the world is doing business. Motivated employee is a valuable asset which delivers huge value to the organization in maintaining and strengthening its business and revenue growth. Performance which leads to growth has unprecedented challenges which can be best defined by internal and external environmental factors, to survive in profitable way in the highly challenging and competitive global market economy, all the factor of employee retention & production - machine, materials & men, should be managed in an impressive way. Human resource constitutes the biggest challenge because unlike other inputs employee management calls for accomplished handling of thoughts, feelings & emotions to protected highest productivity. High productivity is a long-term benefit of employee motivation. However, a motivated employee has that flair to exhibit his/her maximum output, which leads to higher productivity. The objectives of the study were to identify the various motivational tools used in the organization, to examine the intrinsic and extrinsic motivation on employee performance, and also to examine the driving forces behind motivation and performance. The researcher used survey as non-probability sampling method with a sample size of 30. However, both primary and secondary data collection tools were used. It was find out that, employees turn to work effectively when they are motivated by job enrichment, economic factors were the major driving force to motivation. It was suggested that creating a sense of affiliation within the organization, management can ensure higher levels of productivity and a higher retention rate.

Keywords: motivation, productivity, internal and external factors, intrinsic and extrinsic

I. INTRODUCTION

To survive in profitable way in a highly challenging and competitive global market today depends on many factors with the prominent one been motivation. Motivation is one of the most important concepts of psychology and very vital for managers who directs the growth of their subordinates towards worthwhile goals and effective performance. There is no important problem in managing employees than of motivating employees. Mostly

managers rank the motivation of subordinates as the most serious problem that confronts them in the instruction of subordinates.

This control is therefore supported by an organization environment that is organized to encourage and support a continued, increasing nature and comprehensive acceptance of responsibility for one's performance this will encourage participation and in determining goals and in monitoring performance. Motivation is a key determinant of job performance. If the employees are poorly motivated, then there will be excessive staff turnover and negative morale which will increase cost. Therefore, management spends much time to know what exactly stimulates their staff so that resources are not misused. There is a tremendous research on motivation. The researcher has tried to find out what actually stimulates the performance and to what extent.

In this regards the researcher has reviewed many literatures on motivation and most research materials shows that traditionally money or extrinsic reward can boost performance. But in present day money alone cannot stimulate employee behaviour. Now employees are more aware of their career development, job enrichment, association with management and empowerment. By ensuring a congenial and harmonious work atmosphere organizations can motivate employees and foster their performance.

1.1 OBJECTIVES

- To identify the various motivational tools used in the company.
- To examine the driving force behind motivation and performance
- To identify the major factors that motivate employees in the organization

II. LITERATURE REVIEW

2.1 THE CONCEPT OF MOTIVATION

Motivation refers to “the reasons underlying behaviour” (Guay et al., 2010, p. 712). Paraphrasing Gredler, Broussard and Garrison (2004) broadly define motivation as “the attribute that moves us to do or not to do something” (p. 106). Intrinsic motivation is motivation that is animated by personal enjoyment, interest, or pleasure. As Deci et al. (1999) observe, “Intrinsic motivation energizes and sustains activities through the spontaneous satisfactions inherent in effective volitional action. It is manifest in behaviors’ such as play, exploration, and challenge seeking that people often do for external rewards”. Researchers often contrast intrinsic motivation with extrinsic motivation, which is motivation governed by reinforcement contingencies.

Traditionally, educators consider intrinsic motivation to be more desirable and to result in better learning outcomes than extrinsic motivation (Deci et al., 1999). Motivation involves a constellation of beliefs, perceptions, values, interests, and actions that are all closely related. As a result, various approaches to motivation can focus on cognitive behaviors (such as monitoring and strategy use), non-cognitive aspects (such as perceptions, beliefs, and attitudes), or both. For example, Gottfried (1990) defines academic motivation as “enjoyment of school learning characterized by a mastery orientation; curiosity; persistence; task-endogeny; and the learning of challenging, difficult, and novel tasks”. On the other hand, Turner (1995) considers motivation to be synonymous with cognitive engagement, which he defines as “voluntary uses of high-level self-regulated learning strategies, such as paying attention, connection, planning, and monitoring”.

2.2 THEORIES OF MOTIVATION

Authors	Theory	Outcome
Frederick W. Taylor's (1856-1915)	Scientific management	Work study, scientific task planning, selection, placement, standardization and simplification and mental revolution
Elton Mayo (1880-1949)	Hawthorne Studies	effects of the work environment on worker productivity
Abraham Maslow (1908 –1970)	Maslow's Hierarchy of Needs (1942)	He identified that the most basic need emerges first and the most sophisticated need last. He suggested that people start on the bottom and put efforts to go up to needs hierarchy. When one need is fulfilled, it loses its strength and the next level of needs is activated.
Clayton Alderfer (1940 - 2015)	Alderfer's ERG model (1969)	He identified three categories of needs: existence needs, relatedness needs and growth needs. Existence needs are the desires for physical well-being. Relatedness needs are the urges to satisfactorily relating to others by establishing and maintaining interpersonal relationships.
David C. McClelland (1917 – 1998)	McClelland's Needs Theory of Motivation	He divided motivation into needs for power, affiliation, and achievement. People having need for Power seek positions of leadership. They always try to control or dominate others. They like to exercise their influencing power. They are forceful, argumentative, hard-headed, and outspoken.
Frederick Herzberg (1923-2000)	Herzberg's motivation-hygiene theory	He interviewed 200 accountants and engineers in his research and examined motivation in the light of job content and contest. According to Herzberg, motivators or satisfiers are those that increase motivation, but whose absence does not necessarily result in dissatisfaction. They include achievement, recognition, advancement and growth in the job.
J. Stacy Adams (1969)	Equity theory	He said when people feel that they are not equitably treated they may be dissatisfied. If they feel that they are receiving more rewards, then they will improve their quantity and quality of work or they may discount their rewards.
Douglas McGregor (1906-1964)	McGregor's Theory X and Theory Y	He said Theory X which states that employees dislike work and will function only in a highly controlled work environment where managers must coerce, control, and threaten employees to attain organizational goals. On the other hand, Theory Y states that employees are responsible and feel work as an important part of their lives.
John Adair's (1934)	Fifty-Fifty Theory	He said people motivate themselves by fifty percent and from

		the environment they are motivated by the remaining fifty percent. This environment includes work conditions, colleagues and especially leaders. The Fifty-Fifty rule recognizes that leaders have a key role in influencing motivation of employees at work. The relationship between leadership and motivation is crucial to determine employee's motivation.
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2.3 Types Of Motivation

2.3.1 INTRINSIC AND EXTRINSIC MOTIVATION

Intrinsic motivation provides a person a sense of energy and commitment to a task that cannot be replaced by any extrinsic reward. Intrinsic motivation is a choice that is made by a feeling that sparks personal interest. The intrinsic value is in the experience or action and is not based on a potential positive ending. Extrinsic motivation is doing an activity because you feel that it is necessary. It could provide income, status, or some sort of reward that you feel is important. But it overlooks happiness and interest. When someone has to himself do something he doesn't want to do, he is not getting pleasure from an activity.

2.4 Comparing The Intrinsic And Extrinsic Motivation

According to Shanks, intrinsic rewards are internal to the individual and are in many ways less tangible. In fact, they are highly subjective, in that they represent how the individual perceives and feels about work and its value' (2007:30). Malhotra et al (2007:2098) argue that 'intrinsic rewards are inherent in the content of the job itself' and include 'motivational characteristics such as skill variety, autonomy and feedback' as well as employee participation in decision making and role clarity (Gilsson & Durick, 1988, Singh, 998). Manion (2005) also notes five types of extrinsic rewards which can be summarized as healthy relationship, meaningful work, competence, progress, and choice. Researching into rewards as motivation tendsto support two schools of thoughts with regards to extrinsic and intrinsic rewards. One school of thought argues that extrinsic rewards are more powerful and effective in attaining employee motivation, performance and commitment (Angle & Perry1983) while the other school of thought argues that intrinsic rewards are best suited for motivating employees (Brief & Aldag 1983).

2.6 Driving Forces Behind Motivation And Performance

In order to avoid marginalization and sustaining its competitive advantage, organizations today are required to adapt to the latest technologies and globalization. Economic, social, political and technological changes are the inevitable challenges that organizations are facing (Sydanmaanlakka, 2002; Ford, 2005). Since changes are taking place in the external business environment, it is mandatory for all organizations to adapt to the important changes that can be sources of motivation for competitive advantage. All changes have a direct motivation influence on the organization and people. So as to achieve its target, greater levels of skills, commitment and intelligence of employees are required and organizations have to make a huge amount of investment.

2.7.0 Tools And Strategic Factors That Affect Employees' Motivation

2.7.1 EMPOWERMENT

Empowerment is an intrinsic motivator. Companies can empower employees by giving them individual responsibilities and the authority to make at least basic decisions. They also can motivate employees by encouraging them to be as creative and innovative as possible. These techniques allow employees to feel like active participants in the company who are capable of contributing something meaningful. When employees feel like they are part of the company, they are more likely to move toward the company's objectives.

2.7.2 SELF-IMPROVEMENT

Self-improvement allows employees to receive the training or classes they need to be better at their jobs. This motivates employees in two ways. First, it shows employees the company believes they are capable of achieving with additional skills or information. It also provides information that often can inspire new concepts or products. Less common forms of self-improvement could include opportunities for meditation or physical exercise, both of which can make a person feel more mentally alert and prepared.

2.7.3 LIFE ENHANCEMENT (JOB ENRICHMENT)

Some employees underperform or resist company change or instructions because of things happening in their lives. For example, a single mother trying to juggle work and parenthood might appreciate flexible scheduling or the ability to work from home. Companies that accommodate these factors may reduce stress for their employees and therefore get better work results. Job enrichment is a management concept that involves redesigning jobs so that they are more challenging to the employee and have less repetitive work.

2.7.4 MONEY AS A MOTIVATOR

The primary objective of employees is to earn for a better life. Money is an extrinsic reward and it can be used to influence employees' behavior (Darmon (1974). Extrinsic rewards are granted by another individual, and can include salary, fringe benefits, and so on (Kreitner, 2005). Rudolph and Kleiner (1989) and Sujana (1986) described these rewards as those basic material requirements which management must meet for the employee. These rewards can vary in type and scope, depending on place of employment.

Organizations that reward their members in accordance with performance typically experience fewer problems than organizations that do not. (Muczyk, et al.1984). Bonuses, as extrinsic rewards, can be a good tool to motivate workers for better performance (Groves et al. 1994; Laffont and Tirole, 1996). Dauten (1998) illustrated that employees are best motivated by having them bet on their own success. When management ties their performance in with their bonuses, they take it as a challenge to generate greater performance for receiving bigger financial reward. Money is important, but it is not the ultimate tool for motivation.

For a lot of people, the feeling of being recognized and valued appears more important than money (Laurie 2007, p.255). Leadership, career development, and flexibility are what are critical for motivating and maintaining a productive workforce. Stajkovic and Luthans (2003) argued that feedback combined with money and social recognition produced the strongest effect on job performance. Nelson (2003) believes the ability for money to serve as incentive is diminished as monetary rewards are viewed as a right rather than a reward.

2.8 The Concerns Of Motivational Problems

Sometimes managers reward the wrong behavior and as a result, problems often resurface. You should acknowledge employees for performing well. Some managers still believe in the old school idea that “employees receive a paycheck that is enough reward. No need to bother with anything else.” Managers, often are wrong in their ideas of what motivates employees, and hence motivate employees wrongly that would not enable employees to exert high performance. The key is in knowing what is important to reinforce in an employee’s performance.

2.9 The Concept Of Employees’ Performance

Every organization has been established with certain objectives to achieve. These objectives can be achieved by utilizing the resources like men, machines, materials and money. All these resources are important but out of these the manpower is the most important. It plays an important role in performing tasks for accomplishing the goals. The question arises that how these resources are utilized by manpower. Further, the business environment is changing drastically. The environmental factors are uncontrollable. These are beyond control of management of the firms. One has to adjust with the external factors to do the business in the market. Every environmental factor like social, cultural, legal, political, economic, technology and competition gets changed very fast hence motivation. For effective working the knowledge of these factors is must otherwise the plan will misfire.

2.9.1 EMPLOYEES PERFORMANCE MANAGEMENT

The main objective of human resources management is to utilize the human resources in a most optimal manner so that targets can be achieved very effectively and efficiently. For this purpose, managing performance of employees as a whole is very important. Employees Performance management takes care of this function. Performance management maintains, develop and motivate the people at work to give better results. In the present competitive situation, the organization that gives better results can survive, stabilize, grow and excel in the performance.

2.10.0 Functions Of Employees’ Performance Management

2.10.1 CREATE HEALTHY WORK ENVIRONMENT

HR or performance manager works with the people. Their objective is to create an environment of openness, trust, mutual understanding, team spirit and cooperation. In this environment only the manpower can be utilized more effectively to contribute to organizational goals. They create environment with the help of HR policies, day to day dealing, rules and regulations regarding leaves, welfare, promotion, discipline, incentives, training etc. It creates confidence in persons to work without worry.

2.10.1 DEVELOP PERFORMANCE PLANS

Management goes for planning of the job, competencies required for performing the jobs and standards required for performance of the jobs. It includes job description, job specification and fixation of job performance standard. Through these plans only the type of person required can be ascertained.

2.10.2 SELECTION OF APPROPRIATE PEOPLE

To carry out the various types of jobs in the organization manpower is needed. The required type and number of people are to be selected from the aspirants. So they may be made available at right place in right time for accomplishment of the tasks at required time. This is possible through proper recruitment and selection of employees.

2.10.3 MOTIVATION AND EMPLOYEES' PERFORMANCE

A motivated workforce is essential because the complete participation of employees will certainly drive the profitability of the organization (Carlsen, 2003). Motivation has an influence on productivity. For this reason, management need to understand what motivates employees to reach the highest performance. To increase employee motivation is a difficult task because employees respond in different ways to their jobs. Motivated behaviors are voluntary choices controlled by the individual employee. The supervisor wants to influence the factors that motivate employees to higher levels of productivity. Darmon (1974) believe motivation is the educating of employees to channel their efforts towards organizational activities and thus increasing the performance of the said boundary spanning roles. If management neglects to educate and motivate their employees, they will become dissatisfied or lose their interest to job. This lack of interest in the workplace leads to absenteeism, turnover, sick leave, strikes, grievances and even accidents. But a motivated workforce would alleviate dissatisfaction felt by employees and improve these factors (Denton, 1991). According to Denton (1991), a motivated workforce will lead to greater understanding, acceptance, commitment to implementation, understanding of objectives and decision making between management and employees. While exercising different motivational techniques, management get involved with employees and this participation is related with the increase in performance of employees. Therefore, there is a direct result between the levels of motivation and management's participation. (Tyagi, 1982)

III. METHODOLOGY

This shows how the study was conducted using the very corrective methods. To ensure that all aspects of this descriptive research are analyzed critically before drawing relevant conclusions, both quantitative and qualitative approaches were employed. The sample size of 30 respondents was used. The sampling technique used for the study was census sampling. Since the sample size was small everybody stands a chance of been selected. This method was adopted because of its conveniences, close at hand and easy access approach.

IV. DATA ANALYSIS

	Labels	Total (<i>n</i> =30)	Percentage Total (100%)
Motivational tools	a. Job enrichment	15	50
	b. Empowerment	9	30
	c. Life enhancement	6	20
Motivational packages	a. Yes	18	60
	b. No	12	40
Organizational activities	a. Decision making	3	10

	b. Leadership role	5	16.7
	c. Team work	14	46.7
	d. Training and Development	8	26.7
Attention to employees' interest	a. Strongly agree	6	20
	b. Agree	4	13.3
	c. Disagree	7	23.3
	d. Strongly disagree	13	43.3
Attitudinal factors	a. Managers friendly attitude	11	36.7
	b. Manager strict attitude	10	33.3
	c. Employees to employees	9	30.0
Minimal wage rate	a. Yes	20	66.7
	b. No	10	33.3
Money motivates	a. Strongly agree	11	36.7
	b. Agree	13	43.3
	c. Disagree	3	10.0
	d. Strongly disagree	3	10.0
Social force as motivation	a. Strongly agree	11	36.7
	b. Agree	15	50.0
	c. Disagree	3	10.0
	d. Strongly disagree	1	3.3
Technological force as motivation	a. Strongly agree	9	30.0
	b. Agree	10	33.3
	c. Disagree	7	23.3
	d. Strongly disagree	4	13.3
Economic force as motivation	a. Strongly agree	18	60.0
	b. Agree	8	26.7
	c. Disagree	1	3.3
	d. Strongly disagree	3	10.0
Environmental force as motivation	a. Strongly agree	15	50
	b. Agree	8	26.7
	c. Disagree	3	10
	d. Strongly disagree	4	13.3

V. INTERPRETATION

From the above table, it's interpreted that 50.00% said job enrichment is the major factor that leads to employees' high performance. It is seen from the table that 60.00% agreed that there are motivational packages in the organization. From organizational activities 46.67% of the employees are put into Teams to ensure their participation. From the table 43.33% of the employees strongly disagree with the fact that, management give full

attention to employees. From the table it could be observed that, 36.67% said managers' friendly attitude can be easily coped with. It can be inferred that, 66.67% said the company takes into account the minimum wage rate. From the table, 50% strongly agree that money is the only source of motivation that can trigger high performance. 43.33% said they agree that social factors affect employees' motivation. From the table 33.33% said they agree that technological factors affect employees' motivation. However, 60% said they strongly agree that economic factors affect employees' motivation. 50% strongly agree that environmental factors affect employees' motivation,

VI. CONCLUSIONS

By creating a sense of affiliation within the organization, management can ensure higher levels of productivity and a higher retention rate. There is a close relation between motivation and retention of employees in the organization. Demotivated and frustrated employees typically leave the job which has a negative impact on production. Money is not the ultimate solution, rather job enrichment, affiliation, and even simply expressing thanks can motivate employees and foster their performance. Important findings and suggestions are made out of the study. They reflect the nature of the motivation and its effects on employees' performance.

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