

THE IMPACT OF STAFF MOTIVATION ON THE PERFORMANCE OF AN ORGANIZATION

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Abstract

The purpose for this study is to discover impact of employee motivation on organizational performance and examining the relationship between rewards systems of organizational performance. This study was designed based on the literature, connecting the impact of employee motivation on organizational performance and relationship between reward systems on organizational performance. The objectives were constructed based on the literature and the model was tested in perspective of the past studies and literature. The literature and different examination concluded that employee motivation has positive impact on organizational performance and also there is relationship between reward systems on organizational performance. The outcome demonstrated that if employees are positively motivated and rewarded, it improves both them viability and productivity definitely to increase organizational performance, workers are the core of any organization. For any organization to operate smoothly and without any interruption, employee motivation cannot be supplanted with anything else. It is of most extreme significance that the employees of any association not just have a decent motivation; likewise, managers and employers should maintain and fix reward system of their organizations.

Keywords: Motivation, Performance, Organization, Productivity, Employee

Introduction

All organizations want to be successful, even in current environment which is highly competitive. Therefore, companies irrespective of size and market, strive to motives their best employees, acknowledging their important role and influence on organizational effectiveness (Dobre, 2013). In order to encourage performance, companies should create a strong and positive relationship with its employees and direct them towards task fulfillment (Albeiti, 2015). In order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance (Knall & Mujtaba, 2010). Nevertheless, just a few organizations consider the human capital as being their main asset, capable of leading them to success or if not managed properly, to decline (Bartol & Marin, 2012). This implies that, if employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success.

As stated, the performance of employees is a concern for any organization because it determines whether the organization meet its targets and goals. Various resources are

necessary for an organization to succeed and meet its target, and this includes the human resource or employees (Shank, 2012). However, skilled and talented employees may not achieve the desired results if they lack motivation and therefore, motivation is also considered an important value which is vital in the achievement of the organization's goals (Osei, 2011). Due to lack of motivation employees would not give their all to the organization as they will distribute their time to other non-work-related activities such as long lunch hours or surfing the internet for non-related purposes (Shanks, 2012).

In other words, motivation is an internal drive to satisfy an unsatisfied need and to achieve a certain goal. It is also a procedure that begins through a physiological or psychological need that stimulates a performance set by an objective. Shank (2012) defined motivation as the act of providing motive that causes someone to act, but note that, only an individual person can decide if they are going to be motivated.

Having looked at motivation, we now look at employee performance and what it entails. In every organization, there are many factors that come into play if the organization is to meet its targets. However, employees are the most important resource to the organization because they contribute to innovation, adjustment and other important values that would not be done by other resources such as machinery (Uzoma, 2013). Employees mainly perform tasks like manufacturing, marketing, production, transportation, storage, distribution, purchasing, promotion of business, finance and accounting, human resource, research and public relations (Dinler, 2008). Employees need to give their best in all these activities as the activities are inter-related and to achieve the organization's goals all have to be done properly (Yazici, 2008).

Performance of the employee is considered as what an employee does and what he does not do. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timelessness of output. According to the results of the study conducted by Yang (2008) on individual performance showed that performance of the individuals cannot be verified by their level of performance. Similarly, he asserts that organizations can use direct bonuses and rewards based on individual performance if employee performance is noticeable.

Several studies have been carried out relating to employee motivation, but few have focused on its impact on employees' performance, rather focusing on the motivational techniques (Dinler, 2008). A study by Uzoma (2013) revealed that employees from different regions and cultures would not be motivated using the same motivational techniques meaning that different techniques may need to be applied for different regions and cultures. Asim (2013) found that training is an important motivational technique that leads to a positive impact on employee performance in the educational sector in Pakistan. However, the study only focused on training as a source of motivation leaving a gap to be filled by examining other motivational techniques.

This study investigates the relationship between motivation and the level of employee performance. This study is aimed at looking at possible areas of workers can be motivated to increase their level of performance and high productivity. No matter how good any organization is, it does not get anything done properly until the people who

make the organization do it. The objective of this study is aimed at describing what motivation is, where it comes from and why managers need to promote high level of it for an organization to be effective and achieve its goals.

The impact of staff motivation on the performance of an organization

What is impact of motivation?

- i) Motivation has a great impact on employee's performance.
- ii) Motivation has an influence on the employee's job performance.
- iii) Motivation has a relationship between production and productivity.
- iv) Motivation has a great significance on organizational effectiveness.

The impact of motivation on the employee's performance

That employee who is motivated is always aware of the objectives to be completed and leads his/her determination at achieving that aim. In the organization motivation impact on employee performance especially those employees who have less skill they are motivated more and contribute 100 percent with their work.

Importance of Motivation

- i) **Improves performance level:** The ability to do work and willingness to do work both affect the efficiency of a person. The ability to do work is obtained with the help of motivation. Willingness is more important in comparison to ability. For example, a person is highly educated and he is recruited on this very basis. But it is not essential that he will do outstanding work.
- ii) **Helps to change negatives or indifferent attitudes of employees:** Some employees of an organization have a negative attitude. They always think doing more work will not bring any
- iii) **Reduction in employee turnover:** The reputation of an organization is affected by the employee turnover. This creates a lot of problems for the managers. A lot of time and money do waste in repeatedly recruiting employees and giving them education and training. Only motivation can serve an organization from such wastage. Motivated people work for a longer time in the organization and there is a decline in the rate of turnover.
- iv) **Leads to stability of work force:** Stability of workforce is very important from the point of view of reputation and good will of a concern. The employees can remain loyal to the enterprises only when they have a feeling of participation in the management. The skills and efficiency of employees will always be of advantage to employees. this will lead to a good public image in the market which will attract competent and qualified people into a concern.

Meaning of Motivation

It is useful to review some of the major classifications of motivation theories since different theoretical perspectives shed light on how motivation influences work performance. According to Kreitner and Kinicki (2004) the term motivation is derived

from the Latin word 'movere' to move. Motivation represents those psychological process that cause the arousal, direction and persistence of voluntary actions that are goal directed. They continue to say motivation involves a host of psychological processes that culminate in an individual desire and intentions to behave in a particular way. Herseiman (2001) explain motivation at work is generally defined as a series of energizing forces that originate both within and beyond an individual's self. Such forces determine the nature, intensity and duration of a person's work behavior and therefore influence their productivity.

Many different motivational theories have been published for example, the reinforcement theories and instrumental theories but for the purpose of this study, only content and process theories will be discussed as the researcher found then to be most suitable. Content theories assume that all individuals possess the same set of needs and therefore prescribed the characteristics that ought to be present in jobs process theories stress the differences in people's needs and focus on the cognitive process that create these differences.

Content Theories (Psychological Need Theories)

According to Stoner et al (1985) the content theories are associated with names such as Maslow, McGregor, Hertzberg, Atrinson, Aderfer and McClelland, but only a few of these theorists will be discussed by the researcher to explain this kind of theory.

Maslow, in 1954, outlined the most influential of content theories. Maslow suggested a hierarchy of needs that progresses once an individual has satisfied one need in the hierarchy, it ceases their behavior and they are motivated by the need at the next level up the hierarchy.

The theory suggests that employees will always tend to want more from their employers. When they have satisfied their subsistence needs, they strive to fulfill security needs. When jobs are secure they will seek ways of satisfying social needs and if successful they will seek to satisfy their needs to the ultimate end of the hierarchy self-actualization.

If one examine the origin of Maslow's theory it is clear that it was not intended as an explanation of motivation in the workplace; however, many managerial theorist have adopted it enthusiastically and it has gained a lot of support from motivation and management scholars over the years. It is repeatedly referred to by different researchers. In 1895, Elbert and Discenza (1985) suggested practices that satisfy various levels of human needs based on Maslow's hierarchy of needs and these are still relevant to date, as listed below:

- Physiological needs
- Security needs
- Social needs
- Self- esteem needs
- Self-actualization needs.

Manager and leaders who understand this motivational theory are in a better position to nurture their employees as they go through different motivational hierarchy, stages, for example. It is easier to motivate employees who are on the social need hierarchy level by encouraging them to be part of the practical team to handle and to come up with a solution for different projects. In agreement, Luthans (2005) further indicates that the key to understanding the process of motivational lies in the meaning and relationship among needs, drives and incentives.

In addition to the Maslow's hierarchy of needs, Alderfer in 1972 suggested that individual needs can be divided into three groups.

1. Existence needs, which include nutritional and material requirement (at work, this would include pay and condition).
2. Relatedness needs, which are met through relationships with family and friends and at work with colleagues.
3. Growth needs, which reflect a desire for personal psychological development.

Process Theories /Expectancy Theory

Instead of emphasizing the content of needs and the driving nature of those needs, the process approach emphasizes how and by what goals individuals are motivated, basic to process theories in the notion of expectancy; what a person anticipates is likely to occur as a result of their behavior. Again, only few theorists will be discussed below.

Hertzberg (1996) presented a two factor theory, which looks at motivators and hygiene factors. Hertzberg proposed that job satisfaction and dissatisfaction appeared to be caused by two sets of different factors. For example, Hertzberg theory suggests that the presence of motivators in the work place caused enduring states of motivation in employees, but its absence did not need to dissatisfaction. Hygiene on the other hand produced and acceptable working environment, but did not increase satisfaction its absence did, however, cause job dissatisfaction.

Job satisfaction is another researchable topic on its own. Even though the aim of this study is not to evaluate job satisfaction, it is important to indicate that job dissatisfaction would also have negative impact on employees' job performance. Management, in their quest to motivate employees, should try to avoid those aspects that cause job dissatisfaction for employees. Similar importance in this approach is the employees' expectancy. Rue and Byars (2003) state that, the expectancy approach to motivation is based on the idea that employees belief about the relationship between effort, performance and outcome that determine their level of motivation. What can be learned from different motivational theories is the fact that employees do have different needs that they must fulfill, whether this needs happens in hierarchy order, or whether they are related to the nature of employees work; some might even be personal needs which they may finds ways to fulfill though their job. It is important to acknowledge the fact that motivation is generated or derived from personal desire to fulfill personal needs and this can be enhanced to improve job performance.

Meaning of Performance

Another important factor in this study is the concept of performance. Performance is action in accordance with requirements and expectation; OED (1978) simply defined performance is a qualitative measure of how things are done in relation to set standards within reasonable time frames.

The employer's main aim is to reach the organizational goals with the assistance of their staff, and the impact of this is then measured by determining whether employees perform their duties better than they did prior to motivation efforts, and that productivity or service delivery is high or within the set standards.

Once motivational strategies are in place it becomes very important for the organization to measure employee performance to ensure that is according to set standards. In addition, Kermally (1997) suggested the following reasons for measuring employees' performance:

- It is a means of communicating corporate objectives.
- It is a way of synchronizing department or team objectives with strategies objectives.
- It establishes congruence between employees' expectations and corporate goals.
- People feels they are valued
- It is SWOT (strengths, weakness, opportunities and threats) for employees.
- In some organizations it is used for salary review or promotion of employees, or even transfer of employees.

Relationship between Motivation and Employee Performance

Lee and Bruvoid (2003) suggest that need for management to invest in the development of employees as it helps to maintain and develop the level of skills, knowledge and abilities of employees and business organization. When the employees are not properly or adequately motivated, there are chances of failure to achieve the goals which can cause a decline in their self-efficacy Ordenez et al (2009)

According to Bandura (1997) there are no reporting that higher self-efficacy in employees affects the achievement.

Impact of Monetary Factors on Employee Performance

According to Wallace & Zeffane (2011), management depend upon rewards like money as the main factor of motivation because according to Maslow's hierarchy of needs, money is a unique reward that can satisfy different needs such as physiological need for food. In McClelland's acquired needs theory, money is an important source of performance feedback for high-need achievers.

Non-monetary rewards on the other hand attract persons with a high need for affiliation through verbal recognition, and high achievers through challenging jobs. Skinner (2005) argued that, the use of rewards in the classic work performance paradigm

is based primarily on the reinforcement theory which focuses on the relationship between a target behavior such as high performance and its consequences for example pay (Langton & Robbins, (2007). This study was framed from Herzberg's two factors and Skinner's Reinforcement.

Rewards are divided by Armstrong (2007) into two group; these are monetary and non-monetary rewards. The monetary rewards include base, merit pay, incentives, commission, bonus and healthy allowances. Non-monetary rewards include recognition, decision making roles, promotion, flexible working hours and company uniforms. He further indicated that employees are rewarded in accordance with their contribution, skill and competence and their market worth.

Summary

The study showed that employees acquire training aimed at improving their knowledge, skills and attitudes towards their work; as well as increase their morale and confidence in the job.

Conclusion

Management should use monetary reward to motivate its employees. Since employee believe that money is a crucial incentive to work. Motivation and most of them used the value of money as a scorecard by which they passed the value that the organization had placed on their services.

Recommendation

The study recommends that management to retain the non-monetary rewards as a cost-effective way of keeping the workforce highly motivated but also include monetary rewards that should be linked directly to the compensation plan.

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