



THE EFFECT OF EMPLOYEES MOTIVATION ON ORGANIZATION PERFORMANCE

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ABSTRACT:

Every Business has success or failure of fact depends largely on its employees, thus human resources are very essential to the organisation as they are the key to prosperity, productivity & performance. De motivated employees under no circumstance will churn out decreased performance. The aim of this study is to find out the effect of Employee motivation on the performance of Organization. The majority of organizations are competing to survive in this volatile & fierce market environment. Motivation & performance of the employees are essential tools for the success of any organization in the long run. On the one hand, measuring performance is critical to organization's management, as it highlights the evolution & achievement of the organization. In another way, there is a positive relationship between employee motivation & organizational effectiveness, reflected in numerous studies This paper deals only Motivational Techniques, The effect of motivation on employee productivity and identify the HRD Mechanism in Organization.

Keywords: Motivation and Performance, Organization's Management, Organizational Effectiveness, Human Resources etc.

OBJECTIVES OF THE STUDY

- 1.To know different techniques used to motivate employees
- 2.To know the effect of motivation on employee productivity
- 3.To identify HRD mechanism in an organization

RESEARCH METHODOLOGY:

This is a Conceptual Study based on the Secondary data source. The Secondary data is used to high light the conceptual analysis & review of literature. The sources of secondary



data for the study are the reports of the Employee motivation on Organization Performance. In addition to those books articles, journals.

INTRODUCTION:

All organizations want to be successful, even in current environment which is highly competitive. Therefore, companies irrespective of size & market strive to retain the best employees, acknowledging their important role & influence on organizational effectiveness. In order to overcome these challenges, companies should create a strong & positive relationship with its employees & direct them towards task fulfilment. In order to achieve their goals & objectives, organizations develop strategies to compete in highly competitive markets & to increase their performance. 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. If the employees are not satisfied with their jobs & not motivated to fulfil their tasks & achieve their goals, the organization cannot attain success. People have many needs that are continuously competing one with another. Each person has a different mixture & strength of needs, as some people are driven by achievement while others are focusing on security. If the managers are able to understand, predict & control employee behavior, they should also know what the employees want from their jobs.

LITERATURE REVIEW

- **Aguinis et al. (2013)** stated that monetary rewards can be a very powerful determinant of employee motivation and achievement which, in turn, can advance to important returns in terms of firm level performance.
- **Vuori and Okkonen (2012)** stated that motivation helps to share knowledge through an intra-organizational social media platform which can help the organization to reach its goals and objectives.
- **Decoene and Bruggeman (2006)** in their study developed and illustrated a model of the relationship between strategic alignment, motivation and organizational performance in a BSC context and find that effective strategic alignment empowers and motivates working executives. Leaders motivate people to follow a participative



design of work in which they are responsible and get it together, which make them responsible for their performance.

- **Garg and Rastogi (2006)** identified the key issues of job design research and practice to motivate employees' performance and concluded that a dynamic managerial learning framework is required to enhance employees' performance to meet global challenges.
- **Kunz and Pfaff (2002)** stated no substantive reason to fear an undermining effect of extrinsic rewards on intrinsic motivation.
- **Selto (2001)** conducted a case study in one corporate setting by using balance score card (BSC) method and found out that organizational outcomes would be greater if employees are provided with positive motivation. The establishment of operations-based targets will help the provision of strategic feedback by allowing the evaluation of actual performance against the operations-based target.
- **Ashmos and Duchon (2000)** recognizes that employees have both a mind and a spirit and seek to find meaning and purpose in their work, and an aspiration to be part of a community, hence making their jobs worthwhile and motivating them to do at a high level with a view to personal and social development.
- **Orpen (1997)** better the relationship between mentors and mentees in the formal mentoring program, the more mentees are motivated to work hard and committed to their organization. Likewise, Malina

DIFFERENT TECHNIQUES USED TO MOTIVATE EMPLOYEES

➤ **Create a Positive Work Environment**

Motivate employees by offering an upbeat, positive work environment. Encourage teamwork & idea-sharing, & make sure staffers have the tools & knowledge to perform well. Be available when employees need you to be a sounding board or a dispute mediator. Eliminate conflict as it arises, & give employees freedom to work independently when appropriate.

➤ **Set Goals that are Reasonable & Achievable**

Help employees become self-motivated by helping establish professional goals & objectives. Not only does this give employees something to strive for, but your



business benefits when goals are tied to corporate contributions. Make sure goals are reasonable & achievable so employees don't get discouraged. Offer encouragement when workers hit notable milestones.

➤ **Increase Motivation by Providing Incentives**

Increase motivation by providing incentives to work toward. You can create individual incentives for each employee or team incentives to motivate employees as a group. Financial incentives can include cash prizes, gift cards or restaurant gift certificates. Nonfinancial incentives can include extra vacation days, compressed work weeks or choice office space or parking spots.

➤ **Recognize Achievements & Accomplishments**

Celebrate employee achievements through employee-of-the-month or star performer awards. Make a big deal out of accomplishments by celebrating at staff meetings. Print certificates or engrave plaques, issue a press release or post a notice on your company website. Recognize team accomplishments as well as individual efforts.

➤ **Share Profits to Improve Performance**

Motivate employees with the incentive of a profit-sharing program. In this way, employees increase earnings while helping the business income rise. This approach simultaneously promotes collective goal-setting & teamwork. It also gives employees a sense of pride in ownership & can improve performance & reduce turnover as well as raise morale.

➤ **Solicit Employee Input**

Regularly survey employee satisfaction. You can conduct anonymous polls or hire an independent party to conduct a formal focus group. This will help you catch potential morale breakers before they get out of hand. Soliciting employee input also shows staffers that you care about the opinions of workers & want to continually improve working conditions.

➤ **Provide Professional Enrichment**

Encourage employees to pursue additional education or participate in industry organizations. Provide tuition reimbursement or send employees to skills workshops & seminars. If an employee is motivated to an upward career path, offer mentoring &

job shadowing opportunities. Promote from within whenever possible & create opportunities to help employees develop from a professional standpoint.

Different theories of motivation

Motivation is such a scheme which is applied to inspire, increase stamina & work ability by mentally conciliating the employees or workers to their work or job in a organization. In brief, Motivation is something which inspires one to work self-intentionally. Many contemporary authors have defined the concept of motivation. Motivation has been defined as: the psychological process that gives behavior purpose & direction; a predisposition to behave in a purposive manner to achieve specific, unmet needs [8]; an internal drive to satisfy an unsatisfied need & the will to achieve. For this paper, motivation is operationally defined as the inner force that drives individuals to accomplish personal & organizational goals. Motivation is the inner state that energizes channels & sustains human behavior. In Encyclopedia of Management “Motivation refers to the degree of readiness of an organism to pursue some designed goal & implies the determination of the nature & locus of forces inducing the degree of readiness. Motivation is a process whereby needs instigate behavior directed towards the goals that can satisfy those needs (Figure 1)

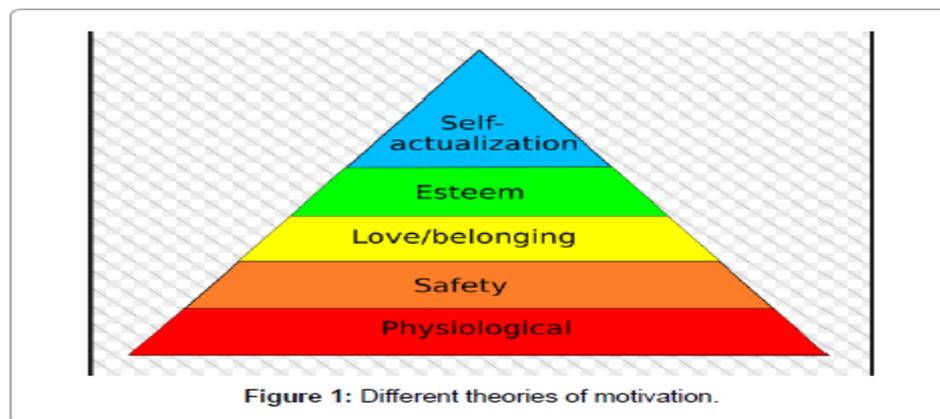


Figure 1: Maslow's Theory of Motivaition

(Sources :<https://myventurepad.com/techniques-theories-employee-motivation/>)

Maslow's hierarchy of needs: Human behavior is goal-directed. Motivation cause goal-directed behavior. It is through motivation that needs can be h&led& tackled purposely. According to Maslow's Hierarchy, needs were categorized into 5 types/ levels from lower to

higher order of needs. Individuals must satisfy lower order of needs before they approach higher order. Satisfied needs will no longer motivate. Motivating a person depends on knowing at what level the person is at of hierarchy.

a. Lower Order (External): Physiological, Safety etc.

b. Higher Order (Internal): Social, Esteem, Self-actualization etc.

c. Physical needs: Need for food, water, shelter, clothing, sexual satisfaction etc.

d. Safety & security needs: Need to be free from physical danger & the fear of

e. Social needs: Need for love & affection, acceptance by fellows & the like.

f. Ego-need: Need for power, prestige, status & self-confidence.

g. Self-actualization need: Desire to become what one is capable of becoming-to maximize one's potential & to accomplish something's.

McGregor's theory X & theory Y: (a). Theory X assumes that, workers have little ambition; dislikes work, avoid responsibility & require close supervision. People don't like to work & try to avoid it. So, managers have to control & threaten people to get them to work. People prefer to be directed & tend to resist change. People are gullible & not bright.

(b). Theory Y assumes that, workers can exercise self-direction, desire responsibilities & like to work. People don't naturally dislike work & work is natural part of their lives. People are internally motivated to reach objectives to which they are committed to. People are also committed to goal attainment. They will both seek & accept responsibility under favorable condition. People have capacity for innovation in solving problems. According to this theory democratic management is preferable (**Figure 2**).

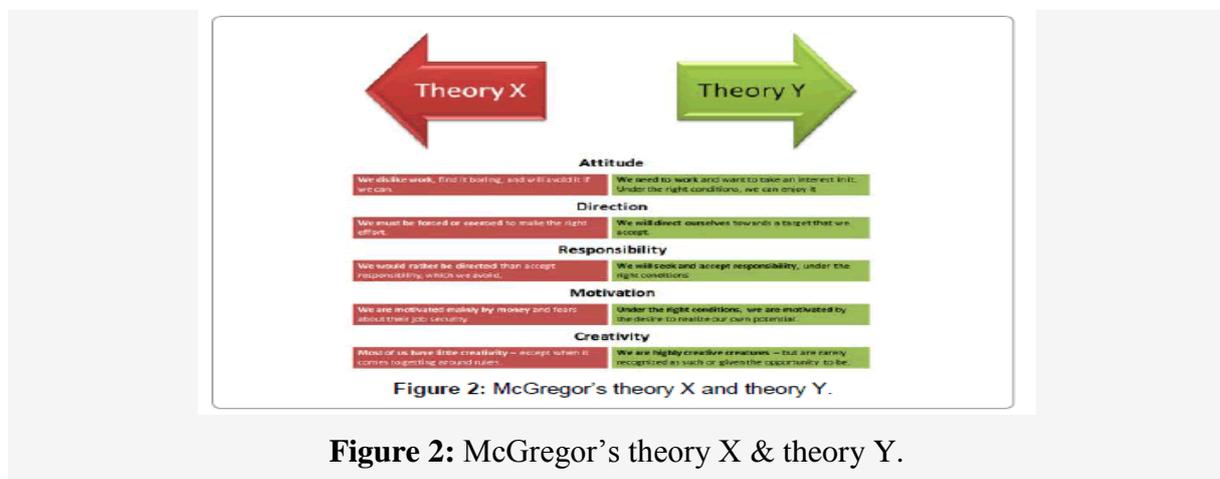


Figure 2: McGregor's theory X & theory Y.

Herzberg's motivation hygiene theory: Job satisfaction & dissatisfaction are created by different job factors. They are:

a. Motivators: Achievement, Recognition, Work itself, Responsibility, Advancement, Growth etc.

b. Hygiene factors: Supervision, Company policy, Relation with supervisors, working condition Salary status, Security, Relation with peers, Subordinate etc.

Three needs theory: McClell&'s three needs theory refers that; every person has one of three driving motivators. Those are the need for achievement, affiliation or power. They aren't inherent; we develop them through culture & life experience.

Goal setting theory: The basic assumption of goal-setting is that goals are immediate regulators of human actions. This theory refers to effects of setting goals on subsequent performance. Individuals who set specific, difficult goals performed better than those who set easy & simple goals. Some of the important features of this theory are: The willingness to work for attainment of goals, Specific & clear goals, Specific & challenging goals, Better & appropriate feedback of the results etc.

Reinforcement theory: This theory refers that we can change anyone's behavior by using reinforcement, punishment & extinction. Rewards are used to reinforce behavior we want & punishment to prevent behavior we don't want. Extinction is to stop someone from practicing learned behavior at all (**Figure 3**).

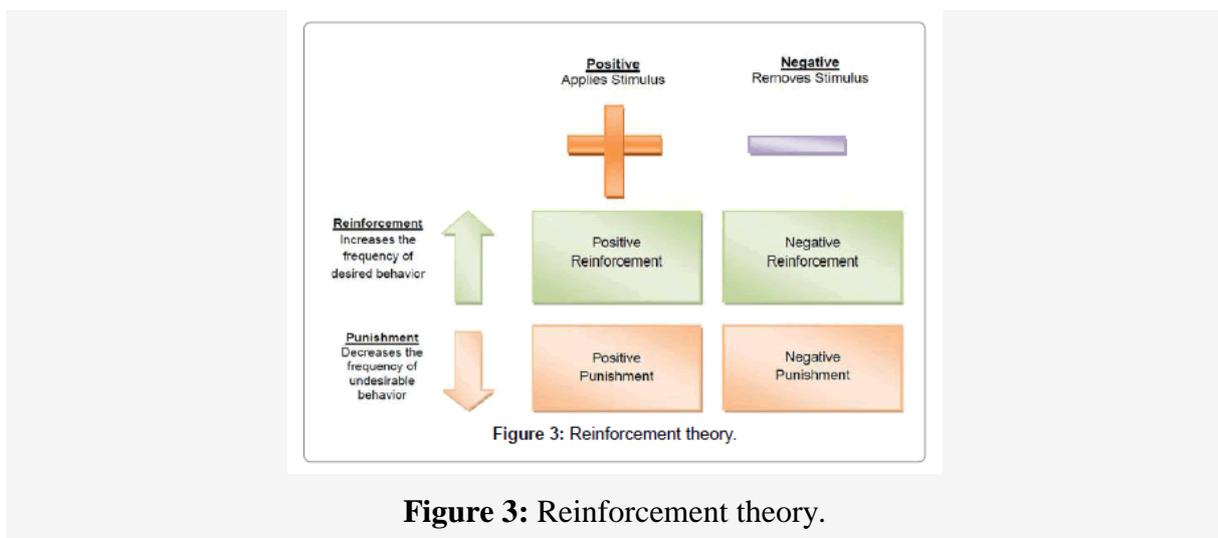


Figure 3: Reinforcement theory.

Equity theory: Equity theory is a theory that centers on perceived fairness of an individual. An employee reflects on how much effort he has expended & compares this to what he has got from it. Based on the idea that, individuals are motivated by fairness & if they find/identify inequity in the input or output ratio of themselves & their referent groups then they will seek to adjust their input or output to reach their perceived equity. External equity arises when employees use comparisons to others who have the same job but work in different organizations. Internal equity occurs when employees compare themselves to others who have different jobs but work in the same organization.

Effect of Motivation on Employee Productivity

Employee motivation has always been a central problem for leaders & managers. Unmotivated employees are likely to spend little or no effort in their jobs, avoid the workplace as much as possible, leave the organization if given the opportunity & produce low quality work. On the other hand, employees who feel motivated to work are likely to be persistent, creative & productive, turning out high quality work that they willingly undertake.



Organizational performance at individual, collegial & organization levels are being jeopardized & subjected to various organizational changes. Specifically, as developed organizations became larger, more multifaceted & more challenging, concerns about organizational performance competencies development & how it could likely to impact culture & direction of the organization have been in the forefronts of business dialogues. There had been much to say about the role of motivation & their expansion but very little has



been done on developing motivation-based performance & much little movement on investigating organizational performance & its relative effect on employee's productivity in organizations.

.HRD MECHANISM IN ORGANIZATION

Performance appraisal: Performance appraisals have become increasingly important tools for organizations to use in managing & improving the performance of employees in making timely & accurate staffing decisions & in improving the overall quality of the firm's products & services. The appraisal process is a formal way of evaluating an employee's performance. Its purpose is to provide an accurate picture of past & /or future employees' performance. To meet this performance targets are set. The targets are based on job related criteria that best determines successful job performance where possible actual performance is measured directly & objectively. Using a wide variety of techniques specialists select an appropriate method to measure employee's actual performance against the previously asset targets. The process is used to strengthen the effort performance linkage. Appraisals help an organization communicate its expectations regarding performance & the connection between the performance & rewards to employees. They increase employees' confidence when employees receive feedback that their efforts are being adequately rewarded. The feedback is offered through an evaluation interview. Here the rater tries to give both positive & negative aides of performance. To be useful, raters or supervisors should use HRD oriented appraisals as a mechanisms to:

- 1) Uncover difficulties faced by the subordinate while h&ling assigned tasks & try to remove the hurdles.
- 2) Underst& the strengths & weaknesses of subordinate & help to subordinate to overcome the obstacles in the way.
- 3) Encourage subordinates to meet problems head on. Accept responsibilities & face challenges with confidence & courage.
- 4) Plan for effective utilization of the talents of subordinates.

Potential appraisals:

The term potential refers to the abilities possessed by an employee but not put to use currently or the abilities to assume challenging responsibilities in future assignments. The

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term performance refers to one's skills abilities in meeting the requirements of the job which one is holding currently. Potential appraisal is different from performance appraisal which shows an employee's current performance in his existing role. If the employee is required to play a completely different set of roles at higher levels, potential appraisals needs to be carried out at regular intervals. The objective of potential appraisal is to identify the potential of a given employee to occupy higher positions in the organizational hierarchy & undertake higher responsibilities. The appraisal is carried out on the basis of (1) supervisor's observations (2) performance adaptation relating to various previous roles played by an employee (3) performance on roles in simulated settings relating to a new position. A good potential appraisal system helps the management to pick up a suitable candidate for a given job & offer additional training if necessary.

Career planning: A career is a sequence of positions held by a person in the course of a lifetime. Career planning is a process of integrating the employees' needs & aspirations with organizational needs. Career programs & HR programs are linked to the degree that they help each individual & the organizational requirements.

In the HRD system, the long growth plans of a company are not kept secret. They are made known to the employees. Major changes are discussed at all levels to promote understanding & commitment among employees. The immediate concern of employees would be to find out where they stand in such a road map. Do they have any chance to grow while building the organization brick by brick? Since managers have information about the growth plans of the company they need to transmit their information to their subordinates. The subordinates should be assisted in planning their career within the company. It is however not necessary that each one of them would scale new heights every year but at least they are aware of the opportunities & get ready for greater challenges ahead. Career planning does not guarantee success. But without it employees are rarely prepared to encash the opportunities that come their way.

Conclusion:

This study focused on the effect of employee motivation on organizational performance.. Motivation is not a simple concept; rather, it pertains to various drives, desires, needs, wishes & other forces. Managers therefore motivate by providing an environment that



induces organizational members to contribute. Essentially, performance is a function of ability, the perception of the task required & effort. Performance accomplishment in turn is related to rewards & satisfaction. However, special motivational techniques include using money & other rewards considerations, encouraging participation & improving the quality of working life of individual employee. A well-compensated employee would be a performing employee, not only that, the work environment also has a significant effect on employee performance. For retaining good employees in the organization, it is very necessary to motivate them timely. A good work atmosphere & proper training are very necessary.

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