

IMPACT OF EMPLOYEE MOTIVATION ON BUSINESS PERFORMANCE

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ABSTRACT

In every organization, employees play a significant role in the better performance of the organization. Motivation plays an important role in any organization whether it's a public or a private company. Especially the employees who are less skilled put more efforts in the work if they are motivated and done work efficiently and effectively, which helps the organization to fulfill its goals effectively. It helps to achieve the personal growth of the employees which ultimately leads to achieve the overall organizational goals.

Similarly, as salary, training and job security, motivation is an important part that affects the performance of an employee. To meet the objectives of employee as well as organization, motivation act as an important tool. Without motivation of employee, the organization is in very risky place. Motivation helps to increase the productivity of the employees that leads to produce higher level of outputs of the organization. Motivated employee will have commitment towards his/ her work, greater job satisfaction and helps in the development as an individual.

Keywords: - Employee Motivation, Organization, Business Performance, ANOVA.

1. INTRODUCTION

It is the goal of every organization to be successful in the long run and this can only be achieved by the human resources of the organization. In today working environment where changed are taking place at the fast pace so it is very important for the organization to have effective motivated employees to succeed in the long run. Today business environment is becoming highly dynamic to avoid this constraint the businesses should maintain goods and healthy relationship with their employees. And, it is believed that out of all the resources human resource is considered to be the most effective and required resources.

To increase the performance of the business and to survive in the long run with increasing competition the businesses needs to identify that the employee motivation will surely help them to grow their business in the long run.

Organizational effectiveness is directly proportional to the motivation of the employees. It can be defined as the process by which the organization uses its resources in the way that they are able to achieve their goals effectively that is without wasting the resources of the organization.

So, in order to achieve the organizational effectiveness it is very important to keep the most valuable Human Resource motivated and satisfied so that all other resources are managed and used most effectively. As the organization is run by its employees all the process of converting the inputs into output is done by the employees. So, it makes very essential and important for the organization to Motivate their employees.

2. MOTIVATION

The word motivation refers to move or to influence. So, the motivation means a level to which a person is influenced. It is set of psychological activities that influence an individual in such a way that helps them to achieve the organizational goals. Motivation plays a key role improving the performance of the employees. It is very important for the organization to keep taking such measures which will motivate their employees to work hard and contribute to organization objective.

According to Bartol and Martin (1998) Motivation is best way to improve performance, provides the route and increase consistency in work.

3. EMPLOYEE MOTIVATION -

Among different kinds of resources like Financial, Economic and Human Resource The human resource is the most important resource as it will manage all other resources. The organization can be satisfied and can have competitive edge over other is through their human resource. Employees performance is dependent on variety of factors like Training and Development, Performance Appraisal, Growth Opportunities, Allowances, Organizational Structure, work environment, Relation with the superiors and other employees etc. Thus, in order to motivate the

employees, the organization or the management of the company should focus on above all the factors to have improved performance and better results.

Therefore, Employee motivation should be the policies in the organization, and it should be done by the higher executives of the company.

It is said that if the organization wants to have good or the effective performance in all kinds of situations. Even when the situation is not in favor of the organization then the only way to do it is by employees' motivation. As motivated employees will always contribute their maximum towards the organization goals.

4. Importance of employees' motivation -

❖ To meet the organization's goals -

When the employees are motivated, they put their 100 percent in the work and helps to achieve organization's goals efficiently and effectively. The management of the organization should integrate the goals of the organization along with the personal goals of the employees so that both the objectives are achieved within the given time frame. The management should try to make understand the employees that their growth is directly linked to the organizational growth.

❖ Increase productivity of the employees -

It helps in increasing productivity of the employees which leads to attain higher level of output. If employees are aware about the policies and the strategies which includes their goals, then this will develop the feeling amongst the employees that they are important in the organization then they contribute their maximum towards organizational goals. Also, they will work wholeheartedly in the organization.

❖ Development of employees -

Motivation helps the employee to attain their personal goals also helps in the self-development of the employee. Its employees are aware that their needs are taken into consideration and there is growth opportunities within the organization then they will not think of switching the jobs and work for the organization with grater pace.

❖ Increase in employee commitment -

With the help of motivation, employee put 100 percent efforts in the work that is assigned to them. Commitment is directly linked to the delegation of authority matching responsibility. If they are given the power to take decisions or give their perceptions or view in organizational affairs, then they will feel that they have their place in the organization. And will work with greater commitments and responsible manner towards the achieving the organizational goals.

❖ Increase employee satisfaction -

When the employees are motivated it helps to increase their satisfaction that ultimately leads to the positive company's growth. Increase in the job satisfaction means that employees are not thinking of quitting the organization which in turn will reduce the job turnover which followed by reduce the cost of recruiting the new employees. Thus, it all in linked to the employee's job satisfaction. Job satisfaction can also be increased through motivation. If the employees are motivated, they will be more satisfied. By providing proper workplace and proper work condition to the employees and also safety or security of the employees will help the management to create the environment where all the organization will work under one common objective and which is growth of the organization business.

Factors Affecting Employees' Motivation

Every individual works in an organization to earn salary and payments and to achieve their personal goals. Money influences more than any other intensives or any motivational techniques. It is very important to motivate an employee for the better performance of the individual as well as organization. Rewards are also an important tool that influence employee to perform better. Many successful business use promotions, bonus or any other types of rewards to motivate the employee to give higher level performance.

5. How to improve employee motivation

- ❖ Better Communication- When the employee is clear about the goals and knows what the company is expecting from them then this will act as a motivation to employees. Provide them clear and achievable goals and timely evaluate their performance so they get to

know where they are lacking. And taking suitable measure like if there is need of training then they should be provided with it to have better performance.

Also, it means that creating the separate desk or department for handling the grievances or the problems of the employees so that there will be proper communication of their problems to the higher level authority. The organization should have proper flexible communication process in the organization so that the problems of the employees can be resolved.

- ❖ Gives continuous feedback- Continuous feedback helps the employee to know about their actions and how it is affecting the company. By providing them continuous feedback, employee is motivated and knows whether they are doing work correctly or not and correct their work timely. It is directing process where the employee's performance are measures against some predetermined standards to find any deviation in their performance. And if there are any deviation then guiding the employees to correct it and if needed providing required training to them.
- ❖ Correct in Private and Praise in Public- Many people feel embarrassed by negative feedback and not motivated by this. So, if there is any specific error then it should be told by the manager, privately. On the other hand, if employee did an extraordinary work or any achievement then announce it publicly. It acts as a motivation and manager should appraise by giving them bonus or certificate so that they will continue doing work better.

Also, there should be proper and time to time appraisal of the employees so that this can act as the motivation to work well and improve performance.

- ❖ Trust in your employees- When the employee know that you trust them and encourage them to do better act as a motivation to them. It creates the feeling that they are something in the organization. The superior should show their trust to the employees by way of allotting them authority along with the matching responsibility. Also, the superior should provide the flexible work environment where employees can be allowed to give their thoughts about any plan and take more initiatives to increase their cooperation.
- ❖ Make rewards attainable- In every organization, reward is given to the top performing employee which makes other employees feel that there is no point of working hard as the same top employee gets that reward. So also set up the smaller rewards throughout the

year to motivate the employee to perform better. Also, if the reward are such that will force the employees to work beyond their comfort zones then it will result in improve performance and higher productivity.

- ❖ **Let People Know what they're fighting for-** Employee should clear about organizational objectives as well as personal objectives and why they are fighting for. When the employee knows for what they are working for and reminding them the importance of the fight motivating them. If the goals and the objectives are clear and employees are well aware about the goals and the objective, then they will work with greater clarity about what they should do to achieve those goals. There should be proper relation between the all employees and competition should be replaced with co-operations. So that there is harmony in the organizations.

6. Theories of employee motivation to increase the productivity-

Hertzberg's Two-Factor Theory

This theory was developed by psychologist Frederick Hertzberg in 1950s also known as dual factor-theory or motivation-hygiene theory. After analyzing the responses of 200 employees of their positive and negative feelings in their work, Hertzberg found two factors that influence the motivation of employees. They are- motivator factors and hygiene factors.

- **Motivator factors-** These are the factors that satisfy and motivate the employee to work harder in an organization.
- **Hygiene factors-** These are the factors, if not present, leads to lack of motivation and dissatisfaction amongst the employees.
- Lack of Hygiene factor will decrease the performance of the employees
- Motivating factors will improve the performance of the employees.

It can be said that the motivator factor may increase the motivation but in the absence of these factor will not create the dissatisfaction amongst employee. On the other hand, hygiene factors may not influence the employee, but the absence of these factors will create the dissatisfaction amongst employee.

- ❖ The Motivator Factors includes the Achievement of the organizational goals and appraised by the superiors, Growth Opportunities, Career Advancement Responsibility in the organization, promotion in the job etc.
- ❖ The Hygiene Factors includes the Relationship with Superior Subordinates, Security of job, Work Environment, Supervision, Directing etc.

Maslow's Hierarchy of need

This theory is given by the Abraham Maslow in the year 1943. And is also referred to as the A Theory of Human Motivation.

There are five levels in this Theory which are as follows-

Basic Psychological Needs- These are the basic needs of the individuals and include the basic needs like food, house or the shelters. In the organization context it means the basic pay that will help the employees to fulfill their basic needs like buying the home.

Safety and security Needs – This is another higher-level need of the individuals where the safety and security is the need that will motivate the employees. In organization it means safety work environment.

Belonging Needs- It means the need for friendship, Relationship. In the organization context this means relation between superior and subordinate and relation with other colleagues.

Esteem – It means power and responsibility in the organization. It includes the status in the society and the need of being respected by others. This is the higher-level need which can only be achieved by fulfilling lower level needs.

Self-Actualization- It is the highest level need and involves the desire to have everything and achieve as much as you can in the organization.



Hawthorne Effects-

It was given by Henry A Hansberger in the year 1950. In this theory the physical condition of the working has been changed like Lighting, Working hours and the amount of time for the break has been changed and the result of all the above change will, motivate the employees to work harder with all their productivity. And, if the employees are recognized then they will contribute their maximum to the organization goals. In the organization context employees will be motivated to work harder if they are being properly observed by the superiors.

Three-Dimensional Theory of Motivation

This theory says how we attach meaning to our own thoughts and the behavior of other peoples.

Bernard Three Dimensional Theories [assumes that people try to find the answers of the following questions that are why we do and what we do. There are three main attributions that affect the behavior of the people which are as follows-

- Stability.

- Locus of control.
- Controllability.

7. Research Methodology

This study analyzes the association between motivation and organizational commitment, employee motivation is the independent variable and organizational commitment is used as the dependent variable.

7.1 Population of Study

The research was conducted with a convenience sample of (97) participants, representing the front-line employees and data was collected by google form. The sample gave representation to male and female employees

7.2 Methods of Data Analysis

Statistical analysis was conducted using the Statistical Package for Social Sciences software (SPSS). For the purpose of examining and analyzing research variables, and therefore testing of hypotheses, the following statistical tests and tools were used Mean and Standard Deviation to calculate central tendency and variance of responses of study sample to the various items of questionnaire.

Cronbach Alpha Correlation Coefficient to compute the reliability. Simple Linear Regression to test the three secondary hypotheses, ANOVA Analysis and Pearson Correlation.

8. Results and Discussion:

A total of 125 questionnaires were collected by the employees, out of which 100 responses were collected back, 3 questionnaires were incomplete and were thus excluded from the study, thus leaving 97 responses for analysis.

Out of 97 respondents, total of 85 (87.6 %) were male respondents, and total of 12 (12.4 %) were female respondents, and most respondents have less than 5 years working experience (n = 74,

Gender	Frequency	Percentage
Male	85	87.6
Female	12	12.4
Total	97	100.0

Experience	Frequency	Percentage
5 or LESS	74	76.3
6-10	18	18.6
11 or more	5	5.2
Total	97	100.0

76.3 %).

Table (1) Gender of respondents

Table (2) Respondents experience

Besides to this, the largest number of respondents were Cashiers (n = 39, 40.2%), this was followed by Salesman (n = 27, 27.8%) and Supervisor job (n = 21, 21.6%). The distribution percentage of the respondents according to age group were 58.8 % of the respondents were from 18 to 25 years old, 18.6 % were from 26 to 30, 22.7% were 30 or more.

Table (3) Qualification of respondents

Table (4) Marital Status of respondents

Qualification	Frequency	Percentage
G. Elementary or less	30	30.9
Diploma	23	23.7
Bachelor Degree	44	45.4
Total	97	100.0

Marital Status	Frequency	Percentage
Single	71	73.2
Married	23	23.7
Divorced	3	3.1
Total	97	100.0

9. CONCLUSION-

This can be concluded that human resource is the biggest resource of any organization which not only help in achieving goals of the organization but also helps in creating the work environment which will help in proper employee and superior relationship.

Employee motivation will help the company to increase the profitability as every activity done in the organization is done by the human resources as to motivate them and fulfill their needs should be primary concern of the organization.

It is found in the research that there is direct relation between with motivation and job satisfaction of the employees. If employees are motivated, then they will work with their full potential towards organization goal. There should be proper training and development programs of the employees because if the employees will feel that there are the growth opportunities within the organization, they will not think of shifting or switching to different organization. Thus, motivation serves the basic for the growth of the businesses.

Motivation will improve the performance of the employees which in turns will help the business to have greater level of productivity and which in turns improve is the profits of the business. Every organization is run by the human resource. And it is said that to achieve in the long run to survive to compete the employees pays a vital role by creating the separate work identity of the businesses.

Also, there is a need for the employees' recognition programs so that they can feel they are important to the organization. The appraisals can be in the way of by providing the time to time incentives or the gifts and allowances to boost the morale of the employees. This will help the organization in making the employee work wholeheartedly.

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