

Effect of Employee Motivation on Work Performance - With Special Reference to Leading Firms in Chennai

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Abstract

Motivation is a set of processes that moves a person towards a goal. It signifies the level, direction and persistence of effort expended in work. Since motivation influences productivity, supervisors need to understand what motivates employees to perform effectively and efficiently. Factors that affect work motivation are individual characteristics, job characteristics and Organizational practices. Individual differences are the personal needs, values, attitudes, interests and abilities that people bring to their job. This study analyses the effect of employee motivation on the work performance. The factors which cause individual differences in work motivation are categorized and considered in the questionnaire. The major findings of the study revealed that self interest in work, need for achievement, appreciation by boss, working condition have medium level influence in the employee motivation and monetary compensation and superior subordinate relationship highly influence the employee motivation.

Keywords: Employee Motivation, Work Performance, Factors

Introduction

The process of motivating an employee need so many hard steps to take. Motivated behaviors are voluntary choices controlled by the individual employee, in an organization, if the management or supervisor wants to motivate the employees, he should know the factors which influence the motivation of employees. Factors that affect employee motivation are individual differences, job characteristics and organizational practices. Individual differences are the personal needs, values, attitudes, interests and abilities that people contribute to their jobs. Job characteristics are the aspects of the position that determine the limitations and challenges. Organizational practices are the rules, human resource policies, managerial practices and reward systems of an organization. Supervisors must consider how these factors affect employee's work performance.

Objectives of the Study

The objectives of this study are as follows:

- To study the factors influencing employee motivation
- To study the impact of employee motivation on work performance

Employee Motivation

Environmental cues and fulfillment of the need pattern of individuals help to develop motivation. Unless a person has the necessary abilities and skills to do the work and perceives the role accurately, mere engagement in work behavior will not ensure effective or high performance.

In addition to acquainting the employees with the organization’s expectations of their performance and achievement of goals, the manager should also provide the necessary form of encouragement, placement of resources, offering guidance whenever and wherever necessary and in general fostering the employee’s sense of competence.

Factors of Employee Motivation

Traditionally it is believed that employees are motivated by the opportunity to make as much money as possible and will act traditionally to maximize their earnings. The assumption is that money, because what it can buy, is the most important motivator of all people. Three types of forces generally influence human behavior are the forces operating within the individual, forces operating within the organization and environmental forces. The factors which motivate employees are (a) job security, (b) personal loyalty, (c) interest in work, (d) working conditions, (e) discipline, (f) monetary benefits and compensation, (g) feeling of being on in things and (h) appreciation of work done.

Research Methodology

The study on effect of employee motivation on work performance is conducted among leading firms in Chennai. The researcher has used descriptive research design to proceed the study. Simple random sampling technique is used to collect a sample of 150 employees from ten leading firms in Chennai. The primary data are collected through Questionnaire which has the questions on the factors influencing the motivation such as interest in job, compensation, appreciation, working condition, job security, opportunity for promotion, loyalty towards the organization and need for prestige. The collected data are analyzed using percentage analysis, Chi-square, ANOVA and Confirmatory Factor Analysis. Reliability test has shown.

Data Analysis

The collected data are analyzed with confirmatory factor analysis and the results are as shown below:

Factors of Motivation

Regression Weights: (Group number 1 - Default model)

| | Estimate | S.E. | C.R. | P | Label |
|-------------------|----------|------|--------|-----|-------|
| Q19.1.4 ← Role_F1 | .816 | .046 | 17.564 | *** | |
| Q19.1.3 ← Role_F1 | .979 | .038 | 26.015 | *** | |
| Q19.1.2 ← Role_F1 | .856 | .046 | 18.569 | *** | |
| Q19.1.1 ← Role_F1 | .718 | .042 | 17.048 | *** | |
| Q19.1.5 ← Role_F1 | .778 | .049 | 15.889 | *** | |

Standardized Regression Weights: (Group Number 1 - Default Model)

| | Estimate |
|-------------------|----------|
| Q19.1.4 ← Role_F1 | .792 |
| Q19.1.3 ← Role_F1 | 1.014 |
| Q19.1.2 ← Role_F1 | .823 |
| Q19.1.1 ← Role_F1 | .774 |
| Q19.1.5 ← Role_F1 | .735 |



The factors such as individual interest in job, compensation, appreciation, working condition, job security is found to be significant in contributing achievement motivation.

Influence Level of Motivational Factors

The respondents are asked to respond for their acceptance level towards the factors which motivates them for effective performance. The scores given to the options are 2,1,0,-1,-2 .The scores of the factors are given below.

| S. No | Factors | Score (X) | x-A | (x-A) ² | Level |
|-------|---------------------------|-----------|-----|--------------------|--------|
| 1 | Self-interest in work | 120 | -22 | 484 | Medium |
| 2. | Need for achievement | 150 | 8 | 64 | Medium |
| 3 | Compensation | 210 | 68 | 4624 | High |
| 4 | Appreciation | 190 | 48 | 2304 | Medium |
| 5 | Working condition | 200 | 58 | 3364 | Medium |
| 6 | Opportunity for promotion | 140 | -2 | 4 | High |

| | | | | | |
|----|--------------------------------|-----|-----|------|--------|
| 7 | Job enrichment | 95 | -47 | 2209 | Medium |
| 8 | Popularity of the Organisation | 210 | 68 | 4624 | High |
| 9 | Code of conduct | 70 | -72 | 5184 | Medium |
| 10 | Job gives prestige | 220 | 78 | 6084 | Medium |

From the above table, it is found that the factors such as compensation, opportunity for promotion and Popularity of the organisation highly influence the employees' motivation. Other factors have medium level influence on employees' motivation.

Correlation between Factors Responsible for Achievement Motivation

| Factors | Self-interest in work | Need for achievement | Compensation | Appreciation | Working condition | Opportunity for promotion | Popularity of the company |
|---------------------------|-----------------------|----------------------|--------------|--------------|-------------------|---------------------------|---------------------------|
| Self-interest in work | 1 | 0.559(**) | 0.862(**) | 0.689(**) | 0.588(**) | 0.623(**) | 0.726(**) |
| Need for achievement | - | 1 | 0.459(**) | 0.762(**) | 0.616(**) | 0.738(**) | 0.553(**) |
| Compensation | - | - | 1 | .696(**) | 0.508(**) | 0.553(**) | 0.570(**) |
| Appreciation | - | - | - | 1 | .672(**) | 0.720(**) | 0.583(**) |
| Working condition | - | - | - | - | 1 | 0.607(**) | 0.528(**) |
| Opportunity for promotion | - | - | - | - | - | 1 | 0.657(**) |
| Popularity of the company | - | - | - | - | - | - | 1 |

From the above Table it is found that the correlation coefficient between self-interest and achievement motivation is 0.559, which indicates that 55.9 percent of positive relationship exists between achievement motivation and self-interested is significant at 1 per cent level. The correlation coefficient between compensation and need for achievement motivation is 0.459, which indicates that 45.9 percent of positive relationship exists between these two factors and is significant at 1 percent level. The correlation coefficient between self-interest and popularity of the company is 0.726 which indicates that 72.6 percent of positive relationship exists between the two factors.

Results and Discussion

From the analysis it is quite evident that compensation, opportunity for promotion and popularity of the company are the factors which are highly motivating the employees to work efficiently in the organisation. According to Fischer(1990), there are three types of motivation: intrinsic motivation (the employee's natural interest), extrinsic motivation (the future reward such as enhanced employment prospectus) and the combination of satisfaction and reward (success in the task). The motivation is born when there is combination of satisfaction and reward. Thus, it is noted that if employees do work well, they have to be appreciated and rewarded for the best attainment of motivation towards effectiveness of work.

Conclusion

Agreeableness and conscientiousness traits contribute towards the strength of the relationship between motivation achievement and job performance. Moreover, the job-related characteristics such as working condition, compensation and popularity of the organisation highly influence the motivation rather than other factors which are taken for the study.

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