

Employee Motivation & Organizational Effectiveness : An Empirical Study

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Abstract:-

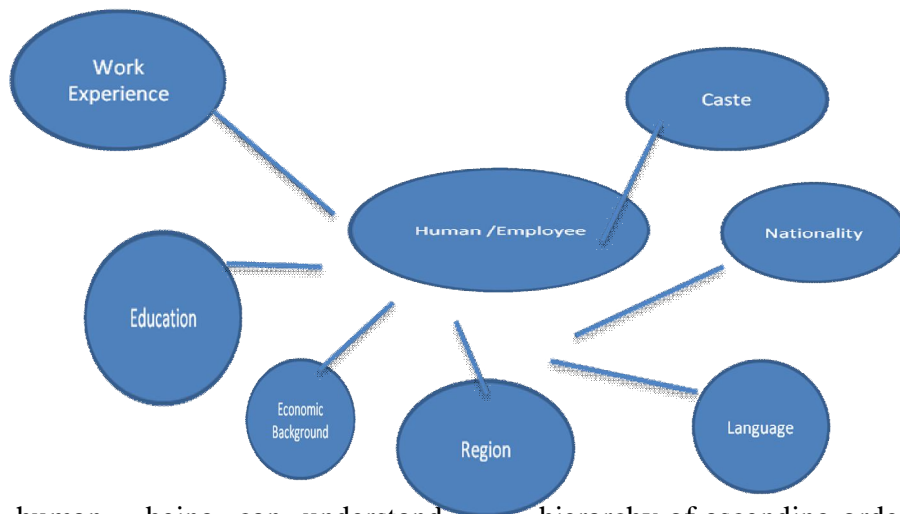
The purpose of this paper is to identify the factors that effects employee motivation and examining the relationship between organizational effectiveness and employee motivation. A model was designed based on the literature, linking factors of employee motivation with employee motivation and organizational effectiveness. Three hypotheses were build based on the literature and the model and were tested in perspective of the previous studies and literature. The literature and various studies concluded that factors: empowerment and recognition have positive effect on employee motivation. More the empowerment and recognition of employees in an organization is increased, more will their motivation to work will enhance. Also there exists a positive relationship between employee motivation and organizational effectiveness. The more the employees are motive to tasks accomplishment higher will the organizational performance and success The study focuses on the practice and observance of the two central factors, empowerment and employee recognition for enhancing employee motivation which leads to organizational effectiveness. The organizations should design their rules, policies and organizational structures that give space to the employee to work well and appreciate them on their tasks fulfillment and achievements. This will surely lead to organizational growth.

Keywords: Empowerment, Recognition, Motivation, Organizational Effectiveness

Introduction

In the era of globalization, privatization and liberalization, it is very challenging to design the behavior of employees in accordance with that of organization's requirement as workforce has lots of diversity. Workforce has diversity on the basis of race, religion, ethnicity, caste, nationality, language, organization have to

understand human behavior on the basis of (Mental, physical, social and economical) ground as well. The issue is how to study the behavior of human being which is working in an enterprise for leading, motivating and modernizing them in skill full employee. There are no. of factors influence over a human for retort and respond in personal and professional life



Behavior of human being can understand Maslow (1954) suggested that human needs could be structured into five categories in a

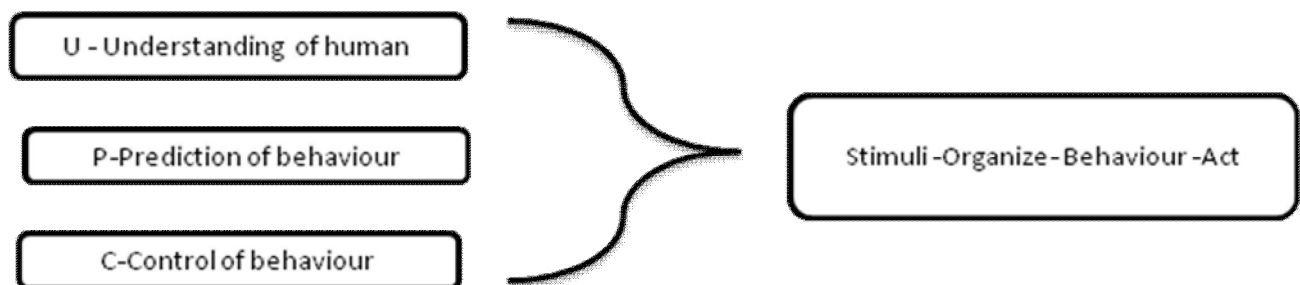
hierarchy of ascending order of prepotency and probability of appearance: (a) physiological; (b) safety and security; (c) belonging and love; (d)

esteem; and (e) self-actualization, basic need, social, environmental, ego, psychological, social needs etc.

Harvey (1973) has noted, from a policy point of view, nine areas of needs: (a) food; (b) housing; (c) medical care; (d) education; (e) social and environmental services; (f) consumer goods; (g) recreation; (h) neighborhood amenities; and (i) transport facilities. While these definitions of needs are functional and do provide a loose boundary for what may be considered as need or no-need, they may not be able to differentiate the needy from the no-need groups. In this regard, Bradshaw (1972) has provided a methodology in making a 'real' need possible. His proposal was to first delineate four types of social needs, namely, (a) normative; (b) felt; (c) expressed; and (d) comparative, then to examine their presence in a given situation. The presence of all types of needs is equated to real need :- (a) **Normative need** tends to be a desirable standard is set by professionals, policy makers or social scientists, against which the actual standard is compared. Those below the standard are said to be in need of support and

special services. (b) **Felt need is equated** to what people want. It can be defined easily by asking service users or potential users what they wish to have. (c) **An expressed need** is generally taken as equivalent to demand, as the unmet need. The notion is that one does not make a demand unless one feels the need. (d) **Comparative need** is measured by reference to a user already receiving the service in question. Therefore, a person is in comparative need if he or she has the same or worse characteristics as someone receiving the service.

Understanding human behavior is a complex task as every human being has got unique programming and it we can behavior can understand by ,UPC Model which stands for and Individual behavior can be understood by SOBA model. Soba stands for S-stimuli, O-organize, B- behavior, and A-action. An individual is guided or influenced by its internal and external stimuli like social, political, economical, cultural, psychological stimuli. Individual then organize all these according to their own ways. Their behavior and action is based upon the stimuli.



So it is very critical and unpredictable that which kind of leadership ship required for an

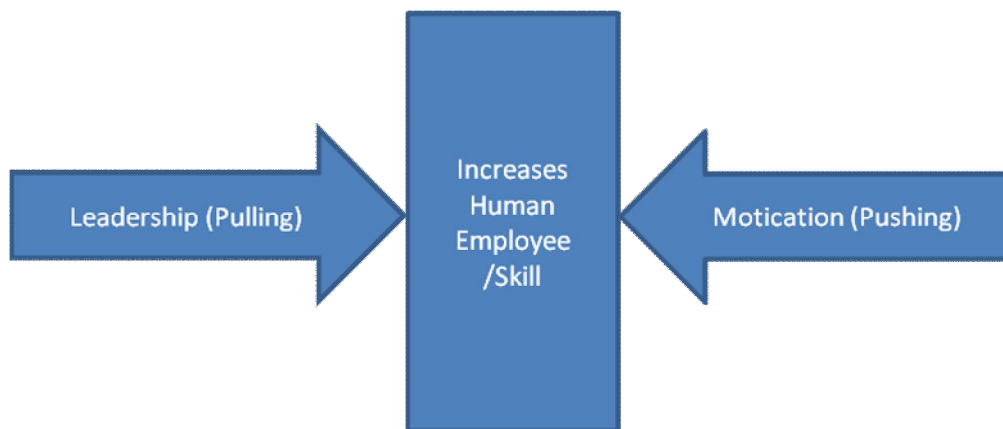
employee and what are those motivating factors (Carrot, stick, job enlargement or job

enrichment) monetary or non monetary inducement etc., more influence over employee for achievements of goal.

Human may be glad to get financial reward while another might not feel the same level of joy and may prefer satisfaction in terms of less pressure in the given job.

Human behavior is the sum of total activities

performed by human beings which is influenced by the stimuli such as personal, cultural, values, ethics, leadership and motivation along with skills having with employee as (Communication, presentation, managerial, interpersonal, entrepreneurship, Customer caring) etc.



Employee can do miracle only if it is well directed and well equipped and having right direction of leadership (Autocratic, bureaucratic, democratic and laissez-faire etc) So like this way organization pull as well push their employee to achieve their goals.

Organization focus and do effort to empower their employees by different ways of participations schemes such as decision making and taking, designing policies, suggestion schemes, financial participation, participation at board level, participation through ownerships, participation through complete control, participation through staff of work councils, participation through joint councils and committees, participation through collective bargaining, The employee can be more productive, effective, understandable and controlled through job enlargement and job enrichment.

What is job enlargement-it means expanding the job content -adding task elements horizontally,

job enrichment means that additional motivators are added to the job so that it is more rewarding, the purpose of job enlargement and job enrichment is to relieve the boredom of the worker which flows from excessive specialization in mass-production industries so that the job itself may be a source of self-satisfaction, job enlargement and job enrichment do provide for workers' participation because they offer freedom and scope to them to use their judgment. So, these are some basic techniques through which one can motivate the employees whereas there are some motivational tools theories that guide us to motivate the individual. One of the most popular and widely accepted theories is need hierarchy theory by Abraham Maslow. Maslow gave the theory of motivation based upon the human need assuming that human need goes in ascending order. As and when a need is satisfied, another need arises and individual tries to get that need that higher than that of the previous need.

It is imperative to say that only the theories of motivation will not help the managers to motivate their employee, they need to understand other techniques such as management by objective (MBO), flexible working hours, two tier pay system, flexible benefits and the like. MBO is a formal set of procedures that begins with goal setting and contributes through performance review. In the process of motivating any employee managers has to understand whether monetary factors can motivate the employee or not. There are several factors other than that of monetary that motivates the employees like recognition, growth and self respect etc.

Literature Review:

According to Webster's New Collegiate Dictionary, a motive is "something a need or desire that causes a person to act". "Motivate, in turn, means "to provide with a motive," and motivation is defined as "the act or process of motivating". Consequently, motivation is the performance or procedure of presenting an intention that origin a person to capture some accomplishment (Shanks.N. H.). Motivation is derived from the word "motivate", means to move, push or influence to proceed for fulfilling a want (Kalimullah et al, 2010).

Bartol and Martin (1998) describe motivation as a power that strengthens behavior, gives route to behavior, and triggers the tendency to continue (Farhad et al, 2011). This explanation identifies that in order to attain assured targets; individuals must be satisfactorily energetic and be clear about their destinations. In view of Bedeian, (1993) it is an internal drives to satisfy an unsatisfied need and the will to accomplish. Motivation is a procedure that initiates through a physiological or psychological want that stimulates a performance that is intended at an objective. It is the concluding product of interface among personality behavior and organizational distinctiveness (IRCO). It symbolizes those psychological procedures that foundations the stimulation, route, and determination of deliberate actions that are target business

oriented (Farhad et al, 2011). Also motivation is a progression of moving and supporting goal-directed behavior (Chowdhury M.S.2007). It is an internal strength that drives individuals to pull off personal and organizational goals.

Motivation is a set of courses concerned with a kind of strength that boosts performance and directs towards accomplishing some definite targets (Kalimullah et al, 2010). According to Barron (1983), it is an accrual of diverse routes which manipulate and express our activities to attain some particular ambitions. (Porter and miles (1974) proved that the motivation boosts expresses and continues. The motivation of an individual envelops all the motives for which he selects to operate in a definite approach. In fact motivation is "inside another person's head and heart".

Employee Motivation

Among financial, economic and human resources, the latest are more essential and have the capability to endow a company with competitive edge as compared to others (Rizwan et al 2010). Employee Performance fundamentally depend on many factors like performance appraisals, employee motivation, Employee satisfaction, compensation, Training and development, job security, Organizational structure and other, but the area of study is focused only on employee motivation as this factor highly influence the performance of employees. Employee motivation is one of the policies of managers to increase effectual job management amongst employees in organizations (Shadare et al, 2009). A motivated employee is responsive of the definite goals and objectives he/she must achieve, therefore he/she directs its efforts in that direction. Rutherford (1990) reported that motivation formulates an organization more successful because provoked employees are constantly looking for improved practices to do a work, so it is essential for organizations to persuade motivation of their employees (Kalimullah et al, 2010). Getting employees to do their best work even in strenuous circumstances, is one of the

employees most stable and greasy challenges and this can be made possible through motivating them.

Organizational Effectiveness

Composition of people which formulate independent business identity for some specific purpose is commonly known as organization and getting desired outcome within defined resources is treated as effectiveness. Organizational effectiveness is the notion of how effectual an organization is in accomplishing the results the organization aims to generate. It plays an important role in accelerating organizational development. It is the net satisfaction of all constituents in the process of gathering and transforming inputs into output in an efficient manner (Matthew et al, 2005). Organizational effectiveness is defined as the extent to which an organization, by the use of certain resources, fulfils its objectives without depleting its resources and without placing undue strain on its members and/or society (Mary et al, 1996). It is the maximum combined utility of the primary constituents (Matthew et al, 2005). The study is aimed to determine the factors that increase employee motivation and the relationship of organizational effectiveness with employee motivation.

Factors affecting Employees' Motivation

No one works for free, nor should they. Employees want to earn reasonable salary and payment, and employees desire their workers to feel that is what they are getting (Houran. J, 2011). Money is the fundamental inducement, no other incentive or motivational technique comes even close to it with respect to its influential value (Sara et al, 2004). It has the supremacy to magnetize, maintain and motivate individuals towards higher performance. Frederick Taylor and his scientific management associate described money as the most fundamental factor in motivating the industrial workers to attain greater productivity (Adeyinka et al, 2007). Research has suggested that reward now cause

satisfaction of the employee which directly influences performance of the employee (Kalimullah et al, 2010). Rewards are management tools that hopefully contribute to firm's effectiveness by influencing individual or group behavior. All businesses use pay, promotion, bonuses or other types of rewards to motivate and encourage high level performances of employees. To use salaries as a motivator effectively, managers must consider salary structures which should include importance organization attach to each job, payment according to performance, personal or special allowances, fringe benefits, pensions and so on (Adeyinka et al, 2007). Leadership is about getting things done the right way, to do that you need people to follow you, you need to have them trust you. And if you want them to trust you and do things for you in the organization, they need to be motivated (Baldoni.J,2005). Theories imply that leader and followers raise one another to higher levels of morality and motivation .Motivation is purely and simply a leadership behavior. It stems from wanting to do what is right for people as well as for the organization. Leadership and motivation are active processes (Baldoni.J, 2005). Empowerment provides benefits to organizations and makes sense of belonging and pride in the workforce. In fact, it builds a Win - Win connection among organizations and employees; which is considered an ideal environment in numerous organizations and their employees. Empowering can flourish virtual human capacities. Empowered employees focus their job and work-life with additional importance and this leads to constant progress in coordination and work procedures. Employees execute their finest novelties and thoughts with the sense of belonging, enthusiasm and delight, in empowered organizations. Adding up, they work with a sense of responsibility and prefer benefits to the organization. (Yazdani,B.O. et al,2011) From the literature, gathered for the study, the factors that enhance employee motivation are

fair pay, incentives, special allowances, fringe benefits, leadership, encouragement, trust, respect, joint decision making, quality of supervision, adequate working relationships, appreciation, chances for growth, loyalty of organization, identification and fulfillment of their needs, recognition, empowerment, inspiration, importance attached to their job, safe working conditions, training and information availability and communication to perform actions.

Objective of the Study

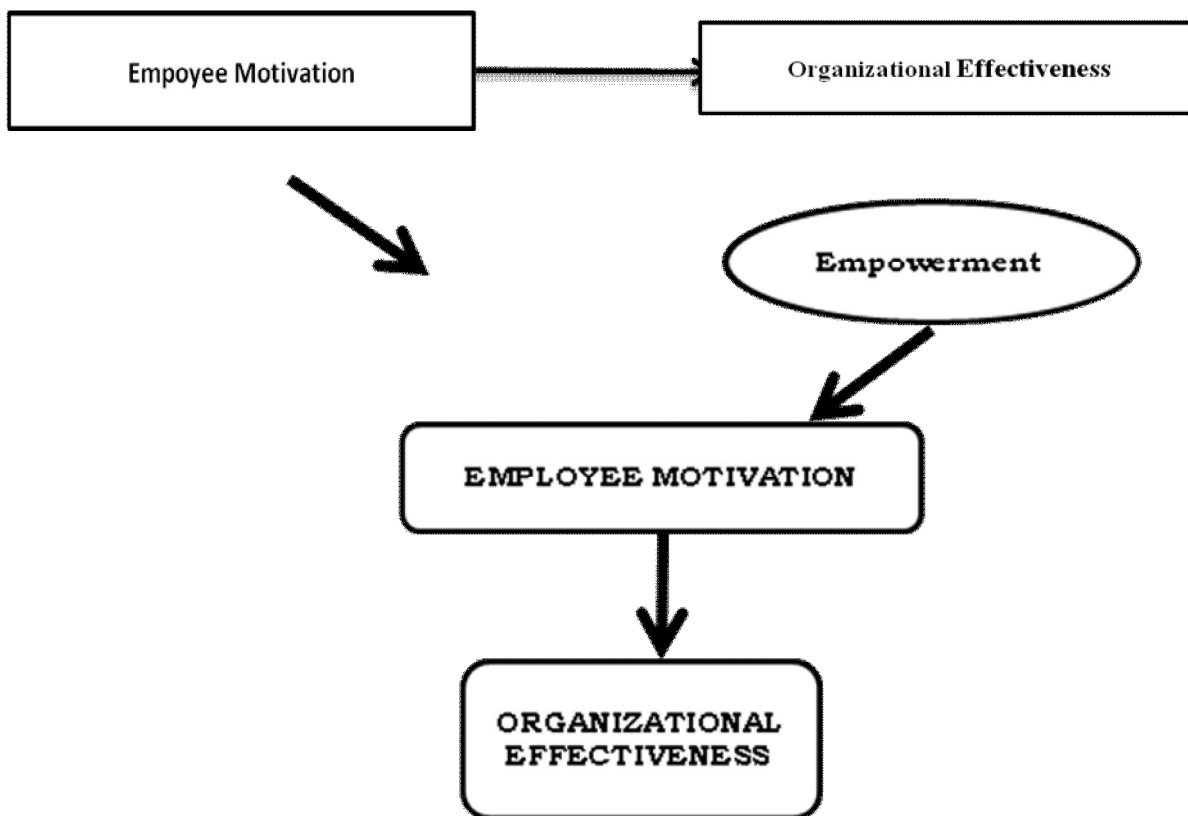
The main objective of the study is to analyze the impact of employees motivation on

Organizational effectiveness. The sub-objectives of the study are:

- To determine the factors that increase employees motivation
- To examine the relationship between employees motivation and organizational effectiveness

Employee Motivation is the independent variable and will be examined through two of its factors, recognition and empowerment. The dependent variable is organizational effectiveness.

The conceptual framework of the study is:



Hypotheses:

Based on the literature and model the study is designed to test the following hypothesis:

- H1: There is an effect of recognizing employee’s work on their motivation to work.
- H2: There is an effect of empowering employee’s in tasks on their motivation to work.
- H3: There is a relationship between employee’s

motivation and organizational effectiveness.

Recognition and Employee Motivation

According to Maurer (2001) rewards and recognition are essential factors in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement (Jun et al., 2006). Kalimullah Khan conducted a study in which he examined the relationship between rewards and employee

motivation in commercial banks of Pakistan. The study focused on four types of rewards of which one was recognition which he tested through Pearson correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Kalimullah et al, 2010).

An empirical study was conducted in India to measure the impact of reward and recognition on job satisfaction and motivation. 125 questionnaires were distributed and filled by employees of different sectors. The results showed that there exists a significant ($r=0.13$, $p<0.05$) relationship between recognition and employee work motivation (Rizwan et al, 2010).

A study was conducted in India to examine the job satisfaction among bank employees in Kanpur. A structured questionnaire survey was used and data was gathered from 5 bank's employees. The value of correlation coefficient for recognition was 0.251 which shows that its relationship with job satisfaction is positive. Job satisfaction is directly associated with internal work motivation of employees that enhances as the satisfaction of employees increases (Salman et al, 2010). That is why a study says that deficiency of appropriate recognition and rewarding reduces employees work motivation and job satisfaction. Hence, administration of organizations and institutions should build up the arrangement for giving that rewards and recognition to enhance employee job satisfaction and motivational level (Reena et al, 2009).

The above literature, studies and discussion fully supports first hypothesis that recognizing employees work increases their motivation to accomplish tasks and execute responsibilities towards them by the organization.

Empowerment:

According to (Bennis, 1989; Block, 1987; Kanter, 1977) empowerment is defined as an approach to leadership that empowers subordinate as a main constituent of managerial and organizational effectiveness (Honold,L, 1997). Bowen & Lawler (1992) expressed empowerment as a site to permit employees to formulate decisions (Amin et al, 2010). Empowering is giving authority and liberating potential of employees.

The main driving force of empowerment is having larger control over, how jobs are done and carried for more growth and productivity (Smith, B, 1997). According to Tannenbaum (1968), it is the study of internal organization power and control which illustrated that the distribution of power and control enhances organizational effectiveness (Honold,L,1997).Rappaport (1987) defined empowerment process as mastering on problems of organizations by people, organizations and societies (Amin et al, 2010).

Empowering makes employees feel that they are appreciated and for making it possible continuous and positive feedback on their performance is essential (Smith, B, 1997).

Employee Motivation and Organizational Effectiveness

Employee satisfaction and motivation towards work refers to prospects of the employee about the organization and his approaches forward his service (Ali et al, 2011).Organizational effectiveness refers to locating targets and attaining them proficiently in spirited and energetic surroundings. (Constant, 2001).

A study was done to examine the relationship of organizational effectiveness and employee performance and motivation in the telecommunication and banking sector. A sample of 103 respondents was taken and Pearson correlation was applied. The results showed that there exists significant positive correlation (0.287) between employee motivation and organizational effectiveness.

The autocratic leadership styles, mechanistic design of organization and authoritarian rules as practiced in African organizations, are all where decision making is concerned only to top management and employees are just given orders to accomplish different tasks. In these types of organizational environment the employees may suppress innovativeness and their motivation hinders which has a direct negative effect on organizational performance, growth and effectiveness (Constant.D. et al, 2001). An internally satisfied, delighted and motivated worker or employee is actually a productive employee in an organization which contributes in efficiency and effectiveness of

organization which leads to maximization of profits (Matthew.J. et al, 2009). Thus from the literature and various studies the third hypothesis is fully supported that exists a positive relationship between employee motivation and organizational effectiveness.

Conclusion

Recognition and empowerment play an essential part in enhancing employee motivation towards organizational tasks. By appreciating the employees for their work done and giving them participation in decision making, internally satisfies them with their job, organization and organizational environment. Thus their enthusiasm and motivation towards accomplishment of tasks increases.

Employee recognition and employee motivation towards organizational tasks have positive relationship between them as exhibited by the empirical studies conducted were positive. Thus it is concluded that appreciation and recognition of employees and employees tasks fulfillment stimulates them towards working with more energy and dedication to the organization. Employee empowerment and employee motivation towards organizational tasks have also direct and positive relationship. The motivated employees works best in the interest of the organizations which leads them towards growth, prosperity and productivity. Thus the employee motivation and organizational effectiveness are directly related. So the organizations should work out and make such policies and organizational structures that support employee recognition and empowerment.

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