

Employees motivation of ernst and young in malaysia



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The purpose of this research is to study the factors that affect the motivation of Ernst & Young employees in Malaysia branches. Also explore how these motivation theories influence Ernst & Young to its employees and be able to recommend new motivational programs to the management that will improve the current motivational practices of the employees.

Objectives:

To identify the motivational factors that motivate Ernst & Young employee

To investigate how Maslow Hierarchy Theory affect the motivation

To understand the important reasons why employees retain or leave in the company and how motivation theories have emerged in attract talent employees

To find out the role of leadership and management in motivating employee in Ernst & Young

Research Question:

How the effects of compensation/salary and rewards to employee motivation?

How does teamwork affect work performance and motivation?

How do achievement and recognition affect motivation and job satisfaction?

Introduction:

Motivation is define as “ The willingness to exert high levels of effort toward organizational goals, conditioned by the effort’s ability to satisfy some individual need” (Stephen P. Robbins, 1998). On the other hand, employee

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motivation is defined “ psychological forces that determine the direction of a person’s behavior in an organization, a person’s level of effort and a person’s level of persistence (Gareth R, Jennifer M GEORGE & Charles WL HILL, 2000).

Employee motivation is a key to the overall effectiveness of an organization. In the Maslow’s Hierarchy of Needs consists of five different levels, which included physiological, safety, social, esteem and self-actualization. This theory explains that employees at organizations are motivated by the desire to achieve or maintain the various conditions upon which these basic satisfactions rest and by certain more intellectual desires (Maslow, 1943). If a lower level need is not met, the person is less motivates to attend the higher level needs until it has been satisfied. While the expectancy theory attempt to explain workers motivation in terms of rewards. This theory assumes that people make rational decisions based on economic realities (Kreitner, R., Kinicki, A., & Cole, N., 2003). According to V. H. Vroom suggested that people on purposely choose particular courses of action, based on perceptions, attitudes, and beliefs, as a consequence of their desires (V. H. Vroom, 1964). In other words, Expectancy theory is emphasizes on individual perceptions of the surroundings and connections arising as a consequence of personal expectations. At the present, compensation is necessary to employee motivation. If a company can satisfied an employee financial needs, the employee would naturally be motivated to work harder. Besides that, leadership also affects employee motivation. A successful leader has a different view in the chain of command. He recognizes the importance of influencing the follower gently

towards a desired goal (Miller, 1996). He does not force or pushed the followers to accomplish the goal of the organization (Maccoby, 1996).

Company Background:

Ernst & Young is recognized as one of the largest professional services firms in the world and global organization of member firms in more than 140 countries (Ernst & Young, 2010). Its international headquarters are located in London, UK and New York, US. Currently the company surrounded of 144, 000 employees globally (Ernst & Young, 2010). Ernst & Young Malaysia was established in 1909 and it was one of the first internationally linked public accounting firms in the country (Ernst & Young Malaysia, 2010). In 2002, one of the first Bumiputra accounting firm in Malaysia founded by Hanafiah, Raslan & Mohamad in 1964 are became a member firm of Ernst & Young. Ernst & Young is now the largest professional services firms with more than 2, 300 employees in 17 offices in West and East Malaysia (Ernst & Young Malaysia, 2009). Ernst & Young Malaysia is a market leader in the provision of assurance and advisory business services, tax and transaction advisory services, serving a board array of clients, covering all industries and market segments.

Significance of Study:

This research aims is to conduct research and examine the current factors that motivates the employees in Ernst & Young Malaysia. Besides that, this project also explore the factor influencing work motivation and job satisfaction for getting better performance and high productivity. The essence of that approach is to create basic conditions regarding changing

job characteristics that promote high performance motivation, high satisfaction at work and match

the job with the individual.

Literature Review:

Previously employees were considered just another input into the production of goods and services in the organization point of view (James R. Lindner, 2010). Nevertheless the Hawthorne Studies has changed the way for organization to think about the employees (Elton Mayo, 1924 to 1932). These studies found out that monetary needs do not motivate employees toward full potential, but it is the employee attitudes and behavior (Elton Mayo, 1924 to 1932). To better understand the employee's motivation, management has to realize the whole concept of motivation. There are many motivation theories developed by the researches and theorists examine on what motivated employees and how they were motivated.

The most fundamental theory of motivation is Maslow's Hierarchy of Needs. And it has become one of the most popular and frequently cited theories of human motivation. The theory consists of five different levels, which are physiological, safety, social, esteem and self-actualization. This theory explains that employees at organizations are motivated by the desire to achieve or maintain the various conditions upon which these basic satisfactions rest and by certain more intellectual desires (Maslow, 1943). According to Abraham Maslow, the most basic needs are physiological. Physiological needs are refer to those that sustain physical life, such as the need for food. Subsequently are safety needs, the want for physiological

safety such as shelter. Next is a social need, is the need for friendship, social and love. In the need for self-esteem is referring to accomplish self-respect or to feel that one is worthwhile and successful. Finally, there self-actualization is for self-fulfillment and to achieve all that one is potentially capable of. These two growths need to drive the person to want recognition from others, development, challenge, and the freedom to be creative and innovative. Daniels (2001) recommended that Maslow's final conclusion that the self-actualization is inspiring in their nature may be one of his most important contributions to the study of human behavior and motivation (Daniels, 2001).

There are several studies that have been concluded based on Maslow hierarchy to support the suggestions of William James (1892/1962) and Mathes (1981). William James theorized the levels of material, social, and spiritual. While Mathes proposed the three levels were physiological, belongingness, and self-actualization. Nevertheless he considered safety and self-esteem as unnecessary. In addition, Alderfer (1972) has developed a similar hierarchy with his ERG theory, which included Existence, Relatedness, and Growth. He adapted Maslow's theory based on the effort of Gordon Allport (1960, 1961) who integrated concepts from systems theory into his work on personality.

The expectancy theory assumes that people make rational decisions based on economic realities (Kreitner and Kinicki, 1998). Vaida (2003) claimed that incentives used to reward excellent performance and in work processes. Additionally, Hoy and Miskel (1991) agree that incentives such as money, power, as well as general incentives that are non-material. According to V. H. <https://assignbuster.com/employees-motivation-of-ernst-young-in-malaysia/>

Vroom (1964) suggested that people intentionally makes certain courses of action, based on their perceptions, attitudes, and beliefs, as a consequence of their desires (V. H. Vroom, 1964). In other words, Expectancy theory is emphasizes individual perceptions of the environment and subsequent interactions arising as a consequence of personal expectations (V. H. Vroom, 1964). These theories on the other hand are motivation theories that focus on the internal attributes of the individual.

Caruth & Handlogten (2001) claimed that compensation can enhance the employee motivation. Compensation may refer to monetary or non-monetary, tangible or intangible, and physical or psychological, and these are offered to the employees for more productivity (Caruth & Handlogten, 2001). If a company can satisfied an employee financial needs, the employee would naturally be motivated to work harder. However paying an employee will not retain them for a long period in the organization. To retain an employee and to keep him motivated and inspired, an employee must be empowered (Bratton, 1999). Empowered allows employee feels the ownership of business and make decision on their own which can increase its confidence by enhancing decision making power (Bratton, 1999). In the recent research from Watson Wyatt Worldwide, recommends that to attract the greatest employees, companies need to pay more than the average-paying in the market (Ira Kay and Bruce Pfau, 2001). Money provides most basic employees motivation.

The leadership style of the managers also is important to implementation of the motivation programs. Quantitative studies conducted in the past showed positive relationship between leadership behavior and job satisfaction (Euske

et al, 1982; Savery, 1994). A Manager's leadership style contributes directly to the employee's motivation and work satisfaction, and the work progress in the organization. A successful leader has a different view in the chain of command. He recognizes the importance of influencing the follower gently towards a desired goal (Miller, 1996). He does not force or pushed the followers to accomplish the goal of the organization (Maccoby, 1996). McConnell (1998) suggests that leader should spend more time to get to know his followers better. Leaders should pay attention to details regarding on their followers.

Methodology:

There are four major components apply into this research and shows its relationship to the employee motivation. This research consists of only 5 variables. The dependant variable would be Employee Motivation and the independent variable is included Maslow Hierarchy, Expectancy Theory, Compensation and Leadership & Management. The theoretical framework for this research as bellow:

Maslow Hierarchy

Expectancy Theory

Employee Motivation

Compensation

Leadership & Management

INDEPENDENT VARIABLE DEPENDENT VARIABLE

The research method is qualitative for this study by a survey method. The total population of employees in Ernst & Young Malaysia is 2300 in 2009. Further research will be conducted to identify the present population. However, the target population for survey is all employees on all the 17 offices. In the data collection process, primary data is used to accomplish this research. Employees will be sampled through convenience sampling in this research. So of the employees who do not want to participate in the study will be subtracted from the 100% original samples. A structured questionnaire will be designed for the purpose of this research. The questionnaire will contain 30 questions that would help identify the motivating factors of employees in Ernst & Young.