

# The impact of staff motivation on organizational performance

[Psychology](#), [Motivation](#)



An Investigation of the impact of staff motivation on organizational performance: A case study of comparing Primark retail store, Tesco Plc and ASDA Group Ltd.

### Aim of Study

The study aims to determine employee motivation levels and its effect on organizational performance at the three retail stores. The specific related objectives are:

- To evaluate the extent to which the organizations provide different motivating factors for its employees
- To test the relationship between employee motivation and organizational performance

### Rationale of study

Managers have the responsibility of attaining organizational success and competitive advantage through human capital. They can do this by improving the motivation levels of their employees (Wagner & Hollenbeck, 2010). The proposed study will seek to establish whether the management at the selected organizations has put in place measures for increasing employee motivation to influence organizational performance.

### Background to the Research Topic/Literature Review

#### Motivation

Motivation is a concept that is defined differently in literature. Some authors defined motivation as the processes where individuals focus on satisfy their

perceived needs, personal goals, and basic goals and this activates human behavior (Guest & Conway, 2004). Another definition is motivation is a portrayal of the physiological processes that lead to stimulation and persistence of a voluntary action that directed toward specific goals (Kreitner & Kinicki, 2008). Employees who are motivated can be easily spotted based on their dedication, enthusiasm, performance, and their contribution to the objectives and goals of an organization. Other authors observed that a motivated individual has awareness of the particular goals that have to be attained in particular ways and focus their efforts on attainment of these goals (Nel et al., 2004).

### Motivation theories

Various theories have been proposed to explain the motivation of employees in organizations. These include Maslow's hierarchy of needs, and Herzberg's hygiene theory, the expectancy theory, goal theory, and fair process concept theory.

Maslow's hierarchy of needs assumes that the motivation of individuals is based on achieving a hierarchy of needs (Griffin & Moorhead, 2009).

Specifically, individuals have physiological, safety, social, self-esteem, and self-actualization needs that have to be met in the work setting. Physiological needs include shelter, clothing, food, and water and are at the bottom of the hierarchy of needs. Safety needs involve protecting individuals from injuries in the work setting and providing work conditions that are stress-free. Social needs entail meaningful interpersonal interactions in the workplace. Esteem

needs are related to a person's desire for competency, achievement, recognition, prestige, and status. Finally, self actualization entails an individual's desire in reaching the highest potential. Maslow suggested that higher needs can only be fulfilled after those at the bottom have been met. Therefore, after employees have attained their physiological needs, they want their safety, social, self-esteem and self actualization to be satisfied in that order. Managers can offer job security, fringe benefits, and pay to meet the security and physiological needs of their employees. To meet social needs, managers should promote team work in the organization. Concerning esteem needs, these can be met by the rewarding employees for high performance with recognition and establishing linkages between performance attainment and pay. Finally, self actualization needs can be met through challenging work, promotion opportunities, training, and autonomy in job performance.

Herzberg's hygiene theory contends those individuals are motivated because of job satisfaction in their workenvironment. This theory views that individuals are motivated when specific motivators are found in the work environment (Griffin & Moorhead, 2009). These motivators include advancement, challenging work, recognition, growth, responsibility and achievement. In addition, the theory delineates needs related to the job context or environment. These factors comprise of interpersonal relations, security, status, continuous learning opportunities, organizationalculture, working conditions, and organizational policies. However, these factors do not result in motivation among employees but when they are absent in the

organization, employees become dissatisfied with the work setting. Based on this theory, a manager can motivate employees by ensuring that both hygiene factors and motivators are available in the organization.

The expectancy theory argues that the behavior of an individual is determined by outcomes based on the concepts of expectancy, instrumentality and Valence (Kreitner & Kinicki, 2008). Valence describes the strength of an individual's preference for a reward or outcome for performing a specific behavior. Expectancy is an individual's belief that a particular action will lead to a specific reward or outcome. Instrumentality explains the extent to which a person believes that specific performance levels will result in the achievement of desired outcomes. Therefore, individuals are motivated to carry out specific assignments when they value the rewards associated with the accomplishment of the assignment. In this regard, if the outcome or reward of performance is very high, an individual will be more motivated to execute the required tasks to achieve the outcomes. This theory indicates that managers can employ various strategies to enhance motivation among employees including setting achievable performance standards and offering the required support such as training to increase perceptions that employees' effort will result in performance. In addition, managers should link rewards given to employees to performance standards and the employee's personal goals.

The goal theory postulates that individuals are motivated to achieve challenging goals (Kreitner & Kinicki, 2008). The theory contends that goals are vital in guiding the actions and responses of individuals. This theory

places goal acceptance, specificity, and difficulty. Goal difficulty describes the degree to which a specific goal demands a lot of effort. Thus, assigning goals with more difficulty leads to higher performance levels. Goal specificity is associated with an adequately defined target for directing performance. Goal acceptance is associated with the extent to which goals are accepted as legitimate by individuals. Therefore, goal setting results in higher motivation as it allows individuals to focus their efforts in the required direction (Daft & Marcic, 2009). Managers can influence the motivation of employees through goal setting by providing feedback about the employee's progress in achieving the goals and by linking incentives to the achievement of the goals (Kreitner & Kinicki, 2008).

Finally, the fair process concept theory deals with the degree to which organizational members perceive that the organization treats them in a fair manner (Greenberg, 1993). This theory focuses on procedural and distributive justice. Distributive justice is related to perceptions of fairness in allocating rewards among employees. Procedural justice is about perceptions of fairness in the procedures used in deciding reward allocations. Therefore, employee's perceptions about the equity dimensions in allocation of rewards influences their motivation levels (Greenberg, 1993). Therefore, employees can be motivated by rewarding them based on performance, using a performance appraisal system for accurately measuring the performance of employees, consistently using similar standards for all the employees, and openly sharing information on the organization's reward programs (Hellriegel & Slocum, 2007).

## Intrinsic and extrinsic motivation

Motivation of employees depends on both extrinsic and intrinsic factors working together to improve the commitment of employees to task performance (Danish & Usman, 2010). Extrinsic motivation emphasizes external rewards including procedures and policy, awards, supervision, salary and fringe benefits. Extrinsic motivation has a great and immediate effect on the level of motivation but it cannot be sustained for a longer period.

However, intrinsic motivation places emphasis on internal rewards and deals with quality of the work setting. Therefore, intrinsic motivation is about rewarding employees for what they actually enjoy doing and has a lasting effect on motivation levels. An organization can achieve intrinsic motivation by providing employees with challenging work and autonomy to enable employees to derive competence, achievement, and accomplishment from performing such tasks.

## The effect of motivation on performance

An organization with a highly motivated workforce is able to achieve its goals through the performance of work tasks by employees. It is suggested that motivated employees are highly inclined to be highly productive compared to those individuals who are not motivated (Chaudhary, Javed & Sabir, 2012). Khan (2012) established a positive association between the performance of employees and their training and motivation and stated that organizations that want to enhance their employees' performance should concentrate on

training as this motivates the workforce to attain higher performance levels. Frimpong and Fan (2009) observed that motivation among employees has a significant effect on productivity and that managers should focus on channeling motivation toward the achievement of both organizational and personal goals. The researchers concluded that motivational factors and motivation have a positive effect on the performance of teams (Frimpong & Fan, 2009).

Another researcher argued that motivation is one of the main factors in the productivity of employees (Mullins, 2006). The author suggested that providing employees with understandable job goals, a supportive work setting, and the adequate skills are inadequate in themselves for ensuring that the job is performed and that employees should have adequate levels of motivation to exert the required efforts levels to the realization of the specific work objectives (Mullins, 2006). Other researchers discovered that employee motivation through recognition, benefits, promotion and payment leads to higher productivity (Khan et al., 2010). Indeed, Gana and Bababe (2011) established that adequate motivation of employees using appropriate incentives enhances their performance and in turn this ensures the achievement of organizational performance goals.

In summary, this section has explored relevant literature on employee motivation and its effect on performance. Based on this, the proposed study will examine whether the case study organizations use different motivating factors to influence the motivation of their workforce and achieve higher performance.



## Research Questions and Methodology

The research questions for this study will include:

Which motivational factors are used in the selected organizations

What is the effect of motivational factors on the motivation of employees in the selected organizations

What is the impact of employee motivation on organizational performance

To answer these questions, this study will combine both interpretivism and positivism research philosophies. Interpretivism is concerned with understanding the research participants' subjective reality in relation to the study topic (Saunders, Lewis & Thornhill, 2007). Therefore, to acquire knowledge about the motivating factors of employees at the selected organizations will involve collecting qualitative data from the employees. On the other hand, positivism involves considering social reality as autonomous from actors and quantitative methods are used in collecting data. Therefore, quantitative data in terms of a survey with managers will be collected and analyzed to determine the relationship between employee motivation and organizational performance. Therefore, utilizing both quantitative and qualitative research methods will enable a more comprehensive and holistic approach to be used in investigating the study topic.

## Relevant Data required and Data collection methods

Both qualitative and quantitative data will be collected in this study. The qualitative data will involve interviewing 5 employees in the selected

organizations to understand the motivating factors offered by senior management in a way that is not influenced and controlled by the researcher (Patton, 2002). The interviews will be conducted using an interview guide with relevant open ended questions. Thus, interviewing the employees will ensure that important insights on motivation from the perspective of employees are acquired.

On the other hand, quantitative data will be gathered using a survey questionnaire administered to senior managers at the organizations. The survey questionnaire will have questions related to the motivating factors available in the organization and the extent to which managers perceive these factors as influencing different organizational outcomes.

#### Accessibility, reliability, and validity and ethics

The participants for the study will be accessed by contacting senior management of the selected organizations via email to obtain their permission to conduct the study. The senior managers will then ask the sampled employees to be part of the study. The confidentiality and anonymity of the participants will be maintained by not revealing any identifying information in the data analysis. The results of this study will be valid and reliable as accurate measures of motivation and organizational performance will be used to collect quantitative data. The validity of qualitative data will be achieved by capturing the actual meanings of the participants during transcription and analysis of data. Furthermore, the use of suitable data analysis procedures to acquire findings indicating the

relationship between employee motivation and organizational performance will further establish the validity and reliability of this study.

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