

# Impact of motivation on employee performance

[Business](#), [Employee](#)



Entrepreneurship is the tendency of a person to organize his own business and run it profitably, exploiting the qualities of leadership, decision making, managerial caliber, etc. Risk Taking Risk-taking In Its true sense Indicates that risk Is Ignored In taking decisions and actions. We should rightfully use the word 'risk averse' for the entrepreneurs. Risk averseness implies taking 'calculated' risk and expecting premium for the risk taken. As the risk goes up the expected premium in return also goes up at a higher rate.

Calculated risk means a few things, namely, Determining how much risk one should take. Risk taking ability of a rich person Is higher than that of a poor person. Still, two equally rich persons In equal situations may not equally perceive the risk in a given opportunity. 0 Risk assessment is equally important. 0 Risk mitigation is the final step that a risk-averse person would consider while taking calculated risk. Risk mitigation means taking steps to manage risk. For example, Insurance against non-business Is essential; Identify non-business risks and insure them. Sense of limits In every society people develop sense of limits from parents, friends and rounding's. These are the limits of what we can do and what we cannot, and what we can accomplish and what we cannot. Such sense of limit Is a result of social permissiveness at a given point of time In a society. On one side, developing such sense of limit is desirable because without adhering to social norms a society cannot function as a civilized society. On the other, the same sense of limit would impose more 'don't' than 'dos'. Entrepreneurs are different. Hem do not abide by the limits recognized by the society or they fight against these limits. CLC Locus of control There are two types of people in the world- (I) those who blame others and external situations for whatever

happens with them, and those who believe that they could have done something better to avoid certain situations that happened with them. The first type of behavior of people is called 'external locus of control' and the second 'Internal locus of control'. It is obvious from the definition that entrepreneurs have 'Internal locus of control'.

The sense of Internal locus of control gives tremendous to learn from failures rather than accepting fate. 0 Control of future Entrepreneurs are always in control of the situation. Their responses to the unfolding situations are more matured rather than like reactions. This gives them control over the current period as well as the future. Creators Entrepreneurs create ideas, businesses and organizations. Often they like businesses that are unique compared to the routine ones. They like challenges and deal with them in a unique or creative way.

Entrepreneurs are good at startups. Need for achievement We would like to include one more characteristic over what Hofmann listed; and that is entrepreneur's need for achievement. Entrepreneurs do not start business for making money. Money and profits are not his primary goals. Their passion, thus, is to convert their dreams into reality. 0 Ethics This is yet another characteristic that Hofmann did not discuss. Can anything substitute ethics for a successful person? Can an entrepreneur be unethical and still make long-term success and attain his need for attainment?

A true entrepreneur, since he is not driven by motives of profits but needs to achieve or do something different for getting sense of satisfaction, will demonstrate high degree of business ethics. Ethical game is necessary for a

long-term player in the business of innovation. Q. 2..... Business plan is a written description of the business. It is comprehensive in nature and comprises details like promoters, existing and proposed products and/or services, know-how and techniques intended to use, among others. A brief description of contents of business plan. Description of venture: For an existing business, the details like date of establishment, Journey over time with significant milestones, employee data, sales and profit data over time (if history is too long then selected period of say, five years' tat would be enough), organization structure, operating philosophy, vision and mission statements, and details of enabling factors are important. 0 Operations plan: Several operations have to be carried out with a view to succeed in providing products and services.

The business activity must be clearly broken down into the discreet operations and details must be provided how those operations will be performed given the resources. If the operations plan fail then production plan would also automatically fail. 0 Production plan: In case of manufacturing activity, the details of technology and its ministrations, success factors, realistic assumptions regarding utilization of plant capacity supported with evidences from other businesses, processes, manpower of material and several other details that can have an impact on production would become an essential part of production plan. Organizational plan: In the absence of strong organizational backing the most lucrative business can also fail measurably. Business operates in a very dynamic environment, whether internal or external. A business organization must develop capability of capturing information regarding the changing external variable that may

effect the current business or future opportunities of the business. Marketing plan: A business needs to define a market in terms of geographical area or demographic details of potential customers or consumers.

Market feasibility report would help in identifying the scope of business opportunity, and from that canvass, a businessman has to determine the right segment of market wherein he would like to do business. Promotion plan, distribution network and other marketing policies are useful in evaluating the potential market for the goods and services offered by the business. Financial plan: The contents of the business plan are now converted into the financial numbers to present the financial plan.

The financial plan gives income statements and balance-sheets for the projected period, depreciation schedule, interest payment schedule, working capital schedule, disability schedule, cash flow statements, working capital financing schedule and schedule of funds to be raised and serviced. The financial plan also includes calculation of several ratios that are useful in the evaluation of funding options. 0 Assessment of risks: The production and marketing plans are usually prepared on the most realistic scenario.

If actual scenario turns out to be better than anticipated (sales price is higher, sales quality is higher, expenses are lower, among others), then there is a positive surplus profit. But what if things do not turn out as good as estimates and cost of project goes up, cost of capital is higher, enough capital is not available, sales price remain low, sales quantity is less, expenses are higher, skilled people are not available, among others. The

assessment of down-side impact of risk must be assessed, if not upside reward of risk. Q. 3... Answer.....

Marketing is a function over which we can have only an influencing power but hardly any control over the outcome. Therefore, marketing function is very important especially for a new enterprise. The market analysis is done before a business plan is prepared and it is included in the business plan, I. E. , at the project phase of a proposed business. Market Assessment base, primarily aimed at checking whether there is gap between demand and supply if the product or service that will be offered by the entrepreneur is an existing product with or without modifications.

In case of a new product, the market assessment at time is just an informed evaluation of potential market. Market assessment aims at defining the market that would be most appropriate for the product and that would give strongest opportunity for the long-term growth. This involves matching the product with customer needs. This strategy of defining the market segment for you is derived from customer research and competitive analysis. 0

**Impact of Market Dynamics** An entrepreneur must understand the market dynamics. Conceptually, demand and supply determine the price.

Demand and supply constantly change and, therefore, pricing mechanism becomes dynamic, which is called market dynamics. Several factors play a role in affecting supply and demand and thereby, the prices of products.

Competitors' price, income level, employment level, inflation, production level, government policies and a host of other factors individually and collectively affect the pricing of a product. 0 **Achieving Market Acceptance**

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The proof of success is finally in attaining the sales level at profitable conditions. The essence of it is in achieving market acceptance of products and services.

Start-ups have a greater risk in achieving market acceptance than the firms already in business. However, for the existing business too market acceptance of a new product is risky. 0 Day-to-Day Operation There are several aspects of day-to-day operations. Procurement, storage, production, transportation, inventory holding, sales, collections, maintenance, management and several other functions together can make operations possible. In today's world, management of information technology is also a matter of daily operations. However, we will discuss only two important aspects of day to- day operations here.

They are namely, (I) procurement of material-inventory and (it) use of information technology. Strategies for Growth The issue of growth is strategic in nature, therefore, it involve strategic thinking, and hence, application of SOOT analysis. A SOOT analysis model must suit the need for answering a particular question, which is related to either direction of growth or rate of growth or strategy for growth. Strategic models are described and their applications are explained in each of these fields of strategic decisions in the following sections of this unit.

Growth Direction Decision Synergy is the measure of an effect on the net benefits of combining more than one activity. Synergy is said to exist when the whole is greater than the sum of the parts. The presence of some strength and its best fit with available opportunities are essential for creating

a positive synergy. For the growth direction issue the synergy is searched in the areas of product and market. A SOOT analysis on these two parameters can give a quick idea about the value creating growth alternatives.