

# A STUDY OF EMPLOYEE MOTIVATION TO IMPROVE WORK PERFORMANCE TOWARDS HUMAN RESOURCES MANAGEMENT

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## ABSTRACT

To achieve strategic goals in an organization, many organizations attempt to align human capital with strategic goal attainment in order to give the organization many different advantages. This is often done through performance management, a system that ensures goals can be effectively and efficiently met using different instruments, policies, programmes and processes to manage, improve and control employee performance. Organisations are often considerate of enhancing motivation through performance management (PM), using appraisals, coaching, training, addressing deficient performance behaviours, and providing rewards for achieving specific, identified targets and goals. There is a theoretical link between effective performance management and increased motivation that is consistently iterated in a variety of literature and empirical studies, making it an important consideration for contemporary organizational managers. The study, through qualitative interviewing of a recruited industry sample of managers and employees at Microsoft, and comparison of theory of PM and motivation finds that motivation is of significant importance when considering PM strategies that will be effective and enhance performance. The study finds that this significance manifests itself in terms of reward structure development, ensuring equity, attempts to enhance social belonging through PM strategies, and in the performance appraisal process.

**KEYWORDS:** Extrinsic, intrinsic, incentives, intangible, motivation, performance.

## INTRODUCTION

Motivation has been extensively researched. In the mid twentieth century the foremost significant motivational theories came up, namely Maslow's hierarchy of needs (1943), Herzberg's two-factor theory (1959) and Vroom's expectancy theory (1964). Those researches centered on motivation in general and

employee motivation more particularly. In the preceding years different definitions of motivation were defined, eg. Herzberg (1959) defined employee motivation as performing a work related action because you want to. Normally it is agreed that employee motivation can be distinguished in intrinsic and extrinsic motivation. Staw indicates that one of the first efforts to make that distinction was in Herzberg's Two-Factor Theory. Nevertheless, the discourse on intrinsic and extrinsic motivation is more from latter years. The discourse on how intrinsic and extrinsic motivation can enhance employee performance. The relationship among employee motivation and job performance has been studied in the past. But high statistical relationships between the two were not instituted. Notwithstanding, later on research resolved that employee motivation and job performance are indeed mutually related. This correlation is studied in this thesis and the objective is to render useful information to managers on how employees' performance can be increased by intrinsically or extrinsically motivating them. Diversity at workplace has provided managers with substantial magnitude of problems, the big difference between employees in every organization means that there is no best way to deal with such problem. What motivates some employee to perform very well may be discouraging to other employee; therefore it poses a big challenge to present day managers. In this thesis, culture in human resource management is discussed as well as performance management and different type of reward system.

## **EMPLOYEE MOTIVATION**

Many factors like environment, capital and human resources influences how organization performs. Though human resources is seen as having the most influence on the performance of organization. It is legitimate thus to debate that an organization needs to motivate its employees in order to accomplish its stated goals and objectives. In this chapter motivation is well explained. It is obvious that motivation has been perceived in numerous ways. Many researchers have tried to come up with a concise theory to formulate motivation but all bring in different ideas. Research has been conducted about this subject and many theories were designed which greatly influence organizational behavior. For example Herzberg's theory of motivation (1959) is still used nowadays. According to Staw (1976) Herzberg was one of the first persons who distinguished between intrinsic and extrinsic motivation. That distinction has clarified and also helped in motivating employees at workplace. Motivation can be specified as a management process, which encourages people to work better for the overall benefit of the organization, by providing them motives, which are based on their unfulfilled needs. The matters arising is: "why managers need to motivate employees?". According to Smith (1994) it is because of the survival of the company. Amabile (1993) contributed to this statement by arguing that it is necessary for managers and leaders of organization to learn to understand and effectively deal with their employee's motivation; since motivated employees' are the pillars of successful organization in present and future century. She also indicates that unmotivated employees may probably contribute little effort in their jobs, stay away from workplace as much as possible, go out of the organization and make low quality of work. When employees are well motivated, they help the organization to grow and survive in fast changing workplaces.

Lindner also indicates that the most difficult role of managers is to motivate employee, because what motivates employees changes always. The term motivation was developed in the early 1880's, prior to that time, the term "will" was used by well-known philosophers as well as notable social theorists when talking motivated human behaviours. According to them motivation is believed to be; an entity that compelled one to action. Recently, many researchers has offered unique definitions of motivation.

### **Intrinsic and extrinsic motivation**

Motivation can be classified as intrinsic and extrinsic motivation. Intrinsic or internal motivation and extrinsic or external motivation. The two motivation differs in the source of pressure or pleasure that boost each of them. Amabile (1993) elaborates further, by saying the followings:

- Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work.
- Individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself (Amabile 1993, 185-201.)

### **Intrinsic motivation**

This type of motivation comes out from an individual pleasure or interest in the task and it does not involve working on activities for the sake of external rewards, it instead necessitates the feeling of inner pleasure in the activity itself. It can be seen as a force that involves doing activities without external incentive. According to Amabile (1993), individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work.

### **Extrinsic motivation**

It is the opposite of intrinsic motivation, it regards the carrying out of an action in order to achieve an external rewards. The source of extrinsic motivation is from an individual physical environment. More job benefits, bigger salary, incentives and job promotion are some rewards that leads to extrinsic motivation. (Deci 1972, 217-229) describes extrinsic motivation as money and verbal reward, mediated outside of a person, on the other hand intrinsic motivation is mediated inside the person. A person can be intrinsically motivated to do a task if there is no clear reward for the task done except the task itself or the feelings which upshot from the task. Amabile (1993) argues that employees can either be intrinsically or extrinsically motivated or even both. It is obvious that intrinsic and extrinsic motivators apply differently to persons. Vroom (1964) indicates that some employees concentrate on intrinsic outcomes while others are centered on extrinsic outcome. According to Story et al. (2009), individuals high in intrinsic motivation seem to prefer challenging cognitive tasks and can self-regulate their behaviours, so, offering rewards, settling external goals or deadlines, will do little for them, unless they are also high in extrinsic motivation. For employees that are high in intrinsic

motivation, emphasis could be placed on the engaging nature of the task and encouragement of self-set goals and deadlines (Story et al 2009). Furnham et al (1998) argue that introverts are more extrinsically motivated and extraverts are more intrinsically motivated. However, it does not only seem that persons are differently motivated but intrinsic and extrinsic motivation also have effect on each other.

### **Motivation Process and Strategies**

Motivation is explained by various theorists as a process governing choices. The motivation process may be internal or external to the individual that arouses enthusiasm, and persistence to pursue a certain course of action. The motivation process starts with a physiological or psychological deficiency or need that activates behaviour, or a drive that is aimed at a goal. According to Arnold, Robertson and Cooper (1991), a needs-related model of the process of motivation is initiated by the conscious or unconscious recognition of unsatisfied needs. The needs create wants, which are desires to achieve or obtain something. Goals are established which is believed will satisfy the needs and wants, and a behaviour pathway is selected which is expected to achieve the goal. According to Palmer (2005), a fundamental part of a motivation strategy must be that the process of achieving the goal is itself motivational. In other words, it is important to ensure that people do not give up during the implementation phase, by designing a process for achieving goals, and to control the motivation strategy. A motivation strategy is necessary for conducting the daily tasks and motivating employees with common goals. It is not only a decision or simple words used to describe the goal, but also using a set of skills to achieve it. From the organisational point of view, the motivation process follows certain defined steps, which, as a continuum needs to be periodically reviewed and strategized to ensure its proper renewal. This helps to maintain the motivation of employees. Herzberg et al. (1959) proposed that an employee's motivation to work is best understood when the respective attitude of that employee is understood. That is, the internal concept of attitude which originates from a state of mind, when probed, should reveal the most pragmatic information for managers with regard to the motivation of workers.

### **JOB PERFORMANCE**

A good employee performance is necessary for the organization, since an organization's success is dependent upon the employee's creativity, innovation and commitment. Good job performance and productivity growth are also important in stabilizing our economy; by means of improved living conditions, high wages, increase in the availability of goods for consumption, etc. Griffin et al. also argue that therefore research of individual employee performance is important to society in general. Employee production and employee job performance seems to be related; e.g, in the U.S. performance in some cases is measured as the number and value of goods produced. However, in general, productivity is associated with production-oriented terms (e.g, profit and turnover) and performance is linked to efficiency or perception oriented terms (e.g. supervisory ratings and goal accomplishments).

## Measuring job performance

In every organization, the decision to elevate, retain or sack an employee has to be made on regular bases. These decisions were made through nepotism and patronage, where personal relationships within the organization had a massive effect on employee's promotion and sacking decisions. Personal relationships are still significant today, though, many organizations are systematically assessing employee's performance in order to increase productivity and ultimately profits. According to Perry and Porter (1982), the performance of many employees probably will be measured despite the lack of availability of general accepted criteria. Performance measurement is defined as "the regular measurement of the results (outcome) and efficiency of services or programs," this implies the steady measurement of progress towards accurate outcome (it is a fundamental component of any attempts at managing for results), a customer tailored procedure that focuses on maximizing benefits and minimizing negative cost for customers of services and programs. When performance is not measured or is measured incorrectly, those using the information will be misinformed and bad verdict will be likely followed, therefore, the old adage "garbage in garbage out" provides more credence. Performance measurement offers general information that can be exploited for decision making purpose both for management and for all levelsof employees. Performance measurement system can become the instrument panel. This instrument panel is used for strategic maneuvering, day to day running of the organization and planning, implementing improvements and changes.

## CULTURE IN HUMAN RESOURCE MANAGEMENT

The conception of organizational culture, which for reason of briefness is simple called culture, though it is difficult to define. The complexness to a certain extend stems from the wide and different use of the term culture. Moreover, the complexness to some extend is the result of the fact that most culture is hidden from the eyes of the beholder. It is hence like the known large mass of floating ice, which only one tenth of it is visible out of the water. That is why we can go by the coherent biblical saying that "one knows the tree by it fruit" as a worthy account to fit the metaphor, to say culture develops the everyday reality of an organization.

## Managing cultural differences

Managing cultural difference in the work place is not the sole responsibility of the administration manager, but of each and every individual in the organization, it is a collective effort to yield a successful management of diversity in the workplace. Managers working with diverse individual must first of all educate themselves for the management of diversity. The manager can enhance an organizational attempt to handle diversity by reaching for understanding, empathy, tolerance and communication. Few managers can grab the basic concept of equal employment opportunity to an unimportant level. They know that by law, they cannot discriminate against the people on the basis of features such as gender and race. Therefore, in following this authorization, they come to consider they must treat everyone the same inside the organization regardless of race, culture,

religion or gender. Though this consideration can cause problem when it is translated into workplace behaviours among employees after they have been hired. People are not the same; on the other hand they need to be treated fairly. Hence, managers must realize that diversity among people exists. Any attempt to treat everyone the same way inside the organization, without considering their fundamental human differences will only lead to problems. It is thus significant for managers to see that cultural forces cause people to act in different ways and that difference should be admitted. Besides, employees should endeavour to show empathy at their respective work environs and employees should attempt to realize the view of others. Empathy allows an individual to place his or her self in another individuals place so that he can see and feel things from the person point of view. Moreover, cultural diversity may amplify problems because people are filled with fear or not willing to openly discuss issues that relates to diversity. For communication to work, it must be two way.

## CONCLUSION

Firstly, it can be concluded that it is surely potential to motivate employees to work well for an organisation and that it is vital task for managers. It appear to be that there exist a self-rewarding circular correlation amongst the performance, satisfaction and motivation of an employee; an employee accomplish a high performance, hence inner satisfaction springs up and the employee is motivated to perform well in the future. It is said that a high performance can be attained when the organisation renders certain job characteristics. Most of the jobs are both intrinsically and extrinsically motivated. We can also conclude by claiming that intrinsic factors can or may contribute in a greater length to employee motivation than extrinsic factors. Many researchers discussed that a lone rise in extrinsic factors does not contribute to a rise in performance. Research shows that to intrinsically motivate employees, the organization needs to reach high on five job characteristics; skill variety, task identity, task importance, autonomy and feedback. On the other hand, to extrinsically motivate employees, the organization needs to reach high on commitment to supervisors and peers, salary and job security. It is significant that managers supply all job characteristics, since it will give way to high employee performance. Nevertheless, it must be discussed that this correlation is not infinite, it maybe that the employee do not derive satisfaction from his/her performance as usual or that one of the three psychological stages is no longer available. Hence, organisations must ensure that performances continually amended. It can now be argued that there are many ways to enhance performance of employees in organization (e.g. diversity, leadership, etc.), therefore, managers should not focus solely on motivation. It can also be concluded that intrinsic factors in particular can greatly enhance employee productivity.

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